John G. O'Connor, Kane.
Charles P. Kennedy, Malvern.
Frank Maida, Port Kennedy.
Elmer A. Carvell, Rothsville.
Wayne K. Wildonger, Souderton.
Anna Smith, Starjunction.
Carl A. Shollenberger, Tyrone.

SOUTH CAROLINA

William L. Antley, Ellcree.

TEXAS

Texas R. Flaniken, Freeport.

WASHINGTON

William T. Harmon, Bong.
Eula Hedin, Kennydale.
Ralph Nelson, Raymond.

WEST VIRGINIA

Merriman S. Smith, Bluefield.

WISCONSIN

Leo E. Offord, Deerfield.
Frederick C. Thacker, New Glarus.
Carleton J. Rubin, Portage.
Edward J. Ikert, Rockland.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 11, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, may this be a day when we shall be blessed with a clear and commanding vision of the glorious enterprise of building Thy kingdom of righteousness and peace upon this earth.

Fill us with a passion to heal our heartbroken and fear-ridden world of the malady of hatred and war. Show us how we may lead all mankind into a nobler and more humane social order.

May we not be discouraged and allow our faith to become eclipsed by doubt and despair. Grant that with increasing tenacity of purpose we may lay hold of the glad assurance that the spirit of the Prince of Peace shall prevail everywhere.

In His name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House:

MAY 9, 1950.

The Honorable the SPEAKER,
House of Representatives.

SIR: A certificate of election in due form of law, showing the election of the Honorable EDWARD J. ROBESON, JR., as a Representative-elect to the Eighty-first Congress from the First Congressional District of the Commonwealth of Virginia, to fill the vacancy caused by the death of the Honorable Schuyler Otis Bland, is on file in this office.

Very truly yours,
RALPH R. ROBERTS,
Clerk of the House of Representatives.

SWEARING IN OF MEMBER

Mr. ROBESON appeared at the bar of the House and took the oath of office.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today following the legislative program and any special orders heretofore entered.

COUNCIL OF ECONOMIC ADVISERS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, as the House sponsor of the Employment Act of 1946 and as a member of the Joint Committee on the Economic Report, I have watched with great interest the work of the Council of Economic Advisers during the 3½ years of its existence.

It is therefore exceedingly gratifying to learn that President Truman has designated Mr. Leon H. Keyserling as Chairman of the Council. Mr. Keyserling's work at the Council of Economic Advisers since its inception has contributed to a new and better understanding of the need for an expanding economy and for a more wholesome relationship between business and government.

No Member of Congress who has been associated with Mr. Keyserling during his many years in the Government can fail to recognize his unusual competence and his comprehensive grasp of all subjects with which he has been concerned.

But what should make Members of Congress particularly happy about Mr. Keyserling's designation as Chairman of the President's Economic Council is his unfailing attitude of helpfulness toward the members of committees of Congress. It has been my observation and that of my colleagues that, when called upon for information, testimony, or technical assistance by any Member of Congress regardless of party or ideology, Leon Keyserling has always responded in a helpful and cooperative manner. It is only by such an attitude on the part of the Council of Economic Advisers that the Employment Act of 1946 can be successful. This is the only way that our form of government can work.

I am also glad to learn of the appointment of Dr. Roy Blough as the third member of the Council. Mr. Blough is a distinguished economist from the University of Chicago who has gained a great deal of practical experience during his service with the Bureau of Tax Research of the Treasury Department. Mr. Blough's appointment gives assurance that the Council now constitutes a rounded group of economists and offers the prospect of ever-increasing service to the Nation.

HOUSE COMMITTEE TO INVESTIGATE QUESTIONABLE TRADE PRACTICES

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, I wish to report to the Members of the House that the last perjury case arising out of testimony before the House Committee of the Eightieth Congress to Investigate Questionable Trade Practices has been disposed of satisfactorily.

As you know, that Committee, of which I was chairman, investigated, among other things, the gray market in steel which flourished during 1948. In this connection we looked into the activities of the Wayne Sheet Steel Co. of Detroit, Mich. Because of the nature of the testimony under oath of William Voisine, owner of the company, and Edward Sauve, his manager, we referred the matter to the Department of Justice for appropriate action. As a result, Voisine was convicted of perjury on April 3, 1950, after a trial in the United States District Court for the District of Columbia, and received a sentence of 8 months to 2 years in a Federal penitentiary. On May 4, 1950, Edward Sauve entered a plea of guilty in the same Court to a charge of perjury before a congressional committee and received a sentence of 4 months to 2 years. As far as I can determine, this is the first time any defendant so indicted has elected to plead guilty to such a charge.

I cannot help but feel that these and other recent convictions which have been obtained by the United States Attorney's office will materially assist congressional committees in their investigations. There will be far less likelihood that any witness will attempt to mislead a committee or attempt to interfere with or delay it in the exercise of its proper functions if it is abundantly clear from the vigorous prosecutions in the past that perjurious testimony or contumacious conduct will not be tolerated.

I, therefore, respectfully and earnestly suggest that the chairmen of all investigating committees, who have not already done so, arrange for the United States Attorney, Mr. George Morris Fay, to advise them, which I am sure he will be only too glad to do, of the legal technicalities laid down by the courts, which must be observed by a congressional committee if a case of perjury or contempt is to be successfully prosecuted.

The proper handling of all cases of this nature can be insured by a little advance preparation and, in my opinion, this manner of protecting the dignity of congressional investigating committees and increasing the effectiveness of their work is well worth the small effort required.

May I also bespeak the courtesy of our eminent majority leader, the Speaker pro tempore of today, the Honorable JOHN W. MCCORMACK, in sending me earlier this week with a little note the Georgetown Law Journal which, in a review of legislative committees on page 350, said:

> The Macy committee of the Eightieth Congress is a happy example of the orderliness and effectiveness of this procedure.

I do not take this as a personal compliment but as a compliment to my distinguished colleagues on the Committee and in the House who accorded us at all times unanimous support.

FLOODS IN NEBRASKA

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House

for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, I rise to call attention to the disastrous floods that have been occurring in southeast Nebraska. A number of lives have been lost and there has been great loss of property. The following telegram sets forth some of the known losses at this time:

LINCOLN, NEBR.

Re southeast Nebraska flood, May 8, 1950.

HON. CARL T. CURTIS,

House of Representatives:

Seventeen known dead to date in following counties: Eight in Lancaster, five in Otoe, three in Nemaha, one in Cass. At least five still missing in Otoe and Nemaha Counties. Lancaster County deaths all result of cars washing from Highway No. 77 south of Lincoln. American Bus Lines bus swept from Highway No. 2 into Little Nemaha River near Syracuse, Otoe County. Three occupants of bus saved, two bodies recovered, three still missing. Remaining fatalities result of cars washed from highways.

Result of flooding of Salt Creek in Lincoln estimated $200,000 damage to industries, plus most extensive residence damage since 1908. As yet unestimated. Total Lancaster County bridge and road damage estimate $150,000. Railroad tracks washed out, extensive soil erosion, fence, farm buildings, and livestock loss in Lancaster, Saline, Gage, Johnson, Otoe, and Nemaha Counties. Residence and business damage reported to date in Syracuse, $105,000; Unadilla, $50,000; Dunbar, 12 houses and railroad station; Crete, $25,000; property damage Gage County estimated over half million dollars, result of Blue River flooding. Two hundred thousand dollars' damage in Auburn, mostly due to tornado. Water supplies in De Witt, Nebr., and Weeping Water contaminated, and mass inoculation against typhoid started. National Guard, Red Cross, State, and local authorities all assisting.

C. M. PIERSON.

These floods occurred on the Blue River, on Salt Creek, the Nemaha Rivers and other creeks and streams.

On several occasions I have appeared before the Flood Control Committee in connection with the local flood-control works at Beatrice, Nebr. The committees of the House and Senate were unable to take action because the report on the Kansas River, in which the Beatrice and Hubbell, Nebr., local projects are carried, had not reached the Congress prior to their action on the recent flood-control bill. An Army engineers' report is in the process of being assembled but has not reached Washington concerning the Salt Creek flood problem. This is in response to a resolution I introduced some years ago. I likewise introduced a resolution for flood surveys on the Nemaha Rivers but that report has not yet been officially transmitted to Congress so that action could be taken.

Mr. Speaker, it is my hope that these various reports can be expedited, that flood-protection recommendations may be worked out which are in accord with the views of the local people and that the necessary authorization act can be considered. These steps are necessary before any funds can be provided for flood protection.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HARDY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Operations of the Committee on Expenditures in the Executive Departments be permitted to sit during general debate today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. PASSMAN, for 9 days (May 12 to May 20, inclusive) on account of official business in Louisiana.

CHANGING HORSES IN MIDSTREAM

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, it would hardly be fair to accuse the Secretary of State of getting us into a third world war, but it might be fair enough to say that he did not keep us out of one, if we do get into one.

So I call the attention of the House to that old, old statement that you "should not change horses in the middle of the stream." Instead of waiting until we get into this war, we just ought to change horses now and get rid of Mr. Acheson before we get into a war so that we will not have that argument put up to us later on when the war is on.

PERMISSION TO ADDRESS THE HOUSE

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. PRICE addressed the House. His remarks appear in the Appendix.]

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and include certain editorials.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

[Mr. BOGGS of Louisiana addressed the House. His remarks appear in the Appendix.]

INTEGRATION OF HEAVY INDUSTRY IN GERMANY AND FRANCE

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I second what has been said and written about the importance of the stand taken toward the integration of the heavy industries of Germany and France. I am confident the free world will welcome the rebirth of leadership being shown by the great French nation. There can be no lasting peace until western Europe learns to work together. At long last, France is helping to show the way for western Europe to work together. This proposal, if earnestly and sincerely followed through, may become one of the important steps of our time.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAMSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

[Mr. RAMSEY addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House today for 10 minutes, following the legislative program and any other special orders heretofore entered.

IMPORTATION OF FOREIGN-MADE SHOES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I am greatly disturbed about the growing imports of shoes coming into this country from behind the iron curtain and competing with our own American produced shoes.

It is true that the well-being of many communities in my section of the country depends upon the shoe and leather industry, which employs thousands of workers at high wages.

Today, in Boston stores and in stores throughout Massachusetts and the Nation, women's shoes made in Czechoslovakia are being offered to the public.

These shoes are shipped into the United States from behind the iron curtain and are sold to importers at prices which are less than the American manufacturer must pay for leather and other materials and not allowing for the high wages paid American workers.

There is no question but that every pair of these Czechoslovakian shoes purchased in this country, feeds good American dollars into Communist-dominated areas, encourages and builds up totalitarian labor methods and undermines American prosperity and the free labor of our own shoe industry.

It is estimated by the trade that at the present rate of imports, over a million pairs of Czechoslovakian shoes will come into this country in 1950. These will be dumped here by an economy organized on totalitarian principles at below the American costs of production.

In fact, some state that they can be sold in American markets at half the price of American-made shoes.

I think that Members of the House will agree that this is a very serious and alarming situation. I have strongly protested it many times with appropriate officials of this Government. It is unconscionable in my mind that it should be permitted to continue when it can be shown clearly that these imports, these Soviet-dumped goods, constitute a direct attack upon American labor, American business and American prosperity.

I am again urging that these imports be stopped at once in the national interest and hope that Government officials will move to this end at an early date.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. KEARNEY. I am very interested to hear the gentleman speak as he has, because we are having the same trouble in our own district in the glove industry in Fulton County.

Mr. PHILBIN. I think it applies to many industries, and I am glad to have the gentleman's contribution.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. WHITE of Idaho. Is not the thing which the gentleman complains about right in line with the administration, the very thing that is being done by the Economic Administration every day, flooding this country with foreign products and foreign metals? Is that not in line with the policy of the administration?

Mr. PHILBIN. The distinguished gentleman has put his finger on a very serious and grave condition, and I hope it may soon be remedied.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield.

Mr. BROWN of Ohio. I am glad the gentleman has called this to the attention of the House, because the same situation exists in the pottery and glass industry in my own State.

Mr. PHILBIN. I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman from Massachuset's [Mr. PHILBIN] has expired.

PENNSYLVANIA'S FINANCES

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, my friend, the gentleman from Pennsylvania [Mr. RICH], frequently berates the Democratic administration for deficit spending, socialism, and confusion within the Democratic Party.

I want to call to the attention of my friend from Pennsylvania that all is not serene in his home State.

In fact, Governor Duff issued a statement last week in which he said that the boasted $200,000,000 surplus of his predecessor, Governor Martin, was actually a $23,000,000 deficit.

I also note with interest that Governor Duff's administration has supported a $500,000,000 bonus for veterans, but they have not levied taxes to take care of this obligation which was incurred over 6 months ago.

It therefore appears that the Republican Party administration in the State of Pennsylvania is also resorting to deficit financing.

Now as to confusion and dissension in the Democratic Party, I am sure that my friend obtains little comfort from the situation of his own party in Pennsylvania.

In the April 3 issue of Newsweek, there is a very interesting article on the internecine Republican Party fight between Governor Duff and what the Governor denounces as the "old guard reactionaries in the Grundy machine."

The article states that—

> Last week Jim Duff was having the brawl of his life. It was a brass-knuckle battle with Pennsylvania's powerful Grundy machine, fought under boom-town-barroom rules. Everything went, including rabbit punching, eye gouging, and kneeing in the clinches. Duff swore that he would smash the machine into a heap of twisted junk. It was that, he said, or else the machine would destroy the Republican Party in Pennsylvania and nationally.

So I say to my good friend, the gentleman from Pennsylvania, whom I admire for his unfailing service to his constituents and his frequent good-humored chastisements of the Democratic Party, "Save some of your energy and advice for the benefit of the strife-ridden and deficit-spending Republican Party in Pennsylvania."

PENNSYLVANIA POLITICS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, my colleague from California very graciously notified me in advance that he was going to say something about Pennsylvania politics. I want to say to him and to all Members from other States that if they will leave Pennsylvania alone we will wash our own linen. We do not have to rely on the Crump machine in Tennessee, the Kelly-Nash machine in Chicago, the Hague machine in New Jersey, the Curley machine in Massachusetts, or the Pendergast machine in Kansas City, and ask for any help from any of them. We will do the job ourselves. To our own satisfaction and to the honor of the Republican Party and for the good of our country.

We have a contest up there in Pennsylvania and when we get through we will support the Republican Party, whoever is nominated, because we believe in the primary system. The fellow who is nominated honestly by the majority of our party we will support because we want good honest politics and good government. We believe in the two-party system. When the two-party system in this country fails, then we will not have any Government at all. We are builders. We are for a good government; we will have it if Republicans have charge.

Mr. Speaker, watch the train that is going out there to the West. Whenever the President of the United States can take a TAYLOR, knowing what a tailor will do in manufacturing his suit, when the time comes that he finds this suit does not fit him, he will determine then it has been wrong in the cut. The Democrats fight one year and condemn each other, then ride on the same train together in Idaho. Birds of a feather should travel together. Toot-toot, the train is off again. Whistle stop. Woo, woo, woo. The President says all will get a salary of $4,000 a year in sixty. He does not say that if that happens by his inflation their eggs will not be 60 cents a dozen, but $1.20 a dozen; bread 20 cents a loaf to 50 cents a loaf; milk 20 cents a quart to 45 cents a quart; a pair of shoes made in America, $50 a pair, but an imported pair of shoes, $15; and our shoemakers out of a job. Let Pennsylvania alone you other States. We will elect good Republicans this fall. We are sound Americans.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I was very much interested in the statement made by my distinguished colleague from Pennsylvania [Mr. RICH] although I was not surprised. The Republicans in Pennsylvania have supported the Republican ticket, but I am just wondering what the Republicans will do this fall when they hear played back over the radio the things that the Republicans have been saying about Republicans.

HAROLD E. STASSEN

Mr. McCARTHY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. McCARTHY. Mr. Speaker, I hate to join in this attack which may embarrass the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. The gentleman cannot embarrass me.

Mr. McCARTHY. I am glad to know that.

Mr. RANKIN. He is a gentleman whom no compliment can flatter and no criticism can embarrass.

Mr. McCARTHY. Mr. Speaker, last week the people of the United States heard an extraordinary speech. It was extraordinary in its bitterness, it was extraordinary in its irresponsibility and also in its attempt to confuse the people of the United States. It was all the more extraordinary in that this bitter, disrespectful, misleading, and irrespon-

sible speech was made by a man who is now president of the University of Pennsylvania and one who himself has sought the Presidency of the United States.

Mr. BROWN of Ohio. Mr. Speaker, a point of order. If that statement is being made about a speech of the President of the United States, I must object.

The SPEAKER pro tempore. The point of order is overruled.

Mr. McCARTHY. It is made in reference to a speech made by the president of the great University of Pennsylvania.

Mr. Speaker, it is a cause of great embarrassment to me as a citizen of the State of Minnesota to admit that the author of this address was at one time the Governor of the State of Minnesota. It is a cause of embarrassment to me as a former member of the academic profession to see the president of a great university show such lack of responsibilty in a public address.

There is slight consolation in the fact that Minnesota no longer claims Mr. Stassen as a citizen. He is Pennsylvania's responsibilty by adoption. And to judge from a recent statement by Governor Duff, Pennsylvania seems to have discovered faults in its adopted son. Referring to another recent statement by Mr. Stassen, Governor Duff is quoted by the Pittsburgh Sun-Telegraph as declaring.

It is beyond belief to me that the president of a university would make such a completely false and misleading statement to the people of this great State.

Governor Duff went on to say:

Mr. Stassen either knew what he said was false, and is, therefore, subject to the highest possible condemnation; or he failed to get the facts, and as president of one of the great universities of Pennsylvania, he had a distinct obligation not to be a traitor to the facts.

SHOE IMPORTATION

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I wish to commend the gentleman from Massachusetts [Mr. PHILBIN] in the statement he has made about shoes. As the Representative of 20,000 Endicott-Johnson shoe workers I wish to object loudly to a proposal recently made and introduced as a bill in this House which will eliminate the American selling price as a basis for computing the duty on imported rubber footwear. Such a proposal, if it is made law, will throw many Endicott-Johnson workers out of their jobs and will permit Japanese shoes to be brought into this country for about 70 cents a pair. It will enable shoes made behind the iron curtain to come into direct competition with American shoes being made up in my district. The American selling-price method of computing the duty on shoes is the only possible way that rubber-soled canvas oxfords and rubber-soled footwear can be adequately produced by American manufacturers. I think those in the State Department and the Treasury Department who are making these proposals and bringing them in here in the form of legislation had better think about the welfare of the American shoe industry before they do anything else.

If H. R. 8304, the bill I am referring to, is passed, the bars will be let down to such an extent that shoes made by slave labor from iron-curtain vassal states and also those produced in the sweatshops of Japan will flood the markets of America in direct competition with the products of American shoeworkers who enjoy the highest wage standard in the world.

This action can only result in the crippling of the rubber-footwear industry, with the accompanying loss of thousands of jobs in these plants. This action will force Americans, whose life work consists of the skilled and time-honored profession of building shoes, to accept unemployment insurance and eventually to seek unfamiliar lines of endeavor.

Such action can only lead to disastrous results to our domestic rubber-footwear industry.

OMNIBUS APPROPRIATION BILL

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, there is not a Member of this House who does not believe in intelligent economy. The Cannon amendment yesterday which I supported, would have helped in that direction. But I think that yesterday was a very black day for the Government services that the American people expect, and for the Government employees themselves. We were guilty, I think, in this House, of meat-ax economy. We ask for nothing but trouble when we apply indiscriminate across-the-board cuts. I refer specifically to the Taber amendment and to the Jensen amendment.

I want to illustrate briefly with just one type of service that will be greatly hit as the result of our action if it is allowed to stand by the other body. All of us have been haranguing for the last several years about the need for modernization of equipment in the Post Office Department. We deplore the ancient trucks that are still in use, and the antiquated equipment of other sorts. We all want better service for the American people. As the result of yesterday's action we have slashed by 10 percent the funds available for modernization of the Post Office Department.

Secondly, many of us have been receiving loud protests from the people in our constituencies about the curtailment of mail service that has been put into effect by the Postmaster General. If the Jensen amendment is permitted to stand you are now faced with this situation, that if 10 carriers retire in your district during the next year, only 1 new carrier may be appointed; only 1 vacancy may be filled. How are you going to carry the mail under such circumstances? Better search your souls, you gentlemen who voted for these amendments.

THE RAILWAY STRIKE

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, we read that the President's train, by reason of special privilege, is to be exempted from the operation of the railway strike in that the Brotherhoods have given instructions that there is to be no strike or interference with the President's train. Of course, we are glad to hear such courtesies extended to the Chief of our Government, but at the same time, by the acceptance of a favor from one side of a controversy as against the other side, does not the President disqualify himself either as an impartial mediator in his own person, or by reason of having accepted a favor, can anyone thereafter trust the President's good faith in a genuine effort to solve this strike by which the millions of Americans are inconvenienced, he himself having accepted convenience in preference to justice and impartiality?

SPECIAL ORDER GRANTED, AND LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that today, following the legislative program and any special orders heretofore entered, the gentleman from North Carolina [Mr. DEANE] be permitted to address the House for 20 minutes and to revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, and I am not going to object, I simply take this opportunity to ask the distinguished acting majority leader as to the program for next week.

Mr. PRIEST. Mr. Speaker, I am very happy to respond to the inquiry of the distinguished minority leader.

The Consent Calendar will be called on Monday, and following that will be the consideration of the bill H. R. 5990, relating to the Baltimore-Washington Parkway.

On Tuesday the Private Calendar will be called, followed by the consideration of the bill H. R. 7058, which provides for some technical amendments to the laws with reference to the United States Naval and Military Academies. Following the disposition of that bill we will consider H. R. 5074, a bill relating to the National Advisory Committee for Aeronautics.

On Wednesday the regular Memorial Services of the House of Representatives will be held.

On Thursday and Friday we hope to consider some reorganization resolutions. Following the disposition of any reorganization resolutions that may be considered on either of those days, we will take up for consideration H. R. 7941, the Federal Aid Road Act.

Mr. MARTIN of Massachusetts. I thank the distinguished gentleman, and withdraw my reservation of objection, Mr. Speaker.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, in view of what has happened heretofore in the House with reference to unanimous-consent requests and also the announcement of the various legislative programs, I wish to give notice for myself and such other Members of the House as may desire to avail themselves of the privilege that I reserve the right to call up any privileged resolutions or motions which may be in order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 447 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944). That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and now yield myself such time as I may require.

Mr. Speaker, this resolution makes in order the immediate consideration of the bill (S. 2596) which relates to the education and training of veterans under title II of the Servicemen's Readjustment Act, which was passed by the other body.

The rule provides for 1 hour of debate.

So far as I know, Mr. Speaker, there is no objection to the immediate consideration of the bill.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. JOHNSON. Will the gentleman kindly explain the provisions of the bill?

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. TEAGUE. This bill writes into permanent law what is now a regulation and what has been put in the appropriation bill for the last 3 years. It continues the ban against avocational and recreational training and the ban against a school taking veteran students, unless it has been in operation for a year. It puts into law a number of standards that the President recommended to the Congress on February 13, 1950, concerning the GI bill.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. MILLER of Nebraska. Does the passage of this bill mean that it will cost more to operate and handle the program?

Mr. LYLE. Yes, it will cost a little more.

Mr. TEAGUE. This bill will cost an additional $2,300,000, according to the Veterans' Administration. That money is to be used for the State approving agencies to check the schools to see that they are complying with the law. The Veterans' Administration and the President recommended that. My State approval agency tells me our inspection service and on-the-job training and farm training has gone down because no additional money was included, but the Veterans' Administration says it will cost $2,300,000.

Mr. JOHNSON. In other words, all the bill does is reduce to a statute the practice that has been carried on under their regulations.

Mr. TEAGUE. That is correct.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. KEARNEY. I would like to be clear in my own mind concerning which particular bill is under discussion. Is it Senate bill 2596?

Mr. LYLE. That is correct.

Mr. KEARNEY. It is my understanding, Mr. Speaker, that while this committee has held no hearings on this particular bill, the testimony before the Committee on Appropriations was to the effect that if this bill passed, it would cost $2,500,000,000 a year, is that correct?

Mr. TEAGUE. The Veterans' Administration did testify that, but I wrote them and asked them to explain how it would cost that much. They said the preamble of the bill destroyed the expiration date of the GI bill. I wrote back to the Veterans' Administration and asked them to write an amendment which would correct that. That amendment will be offered.

I do not agree with the Veterans' Administration. I sent the bill to the legislative reference service and asked them for a report. They said there was nothing in the bill which changed the expiration date, but to be sure that there is no doubt about it the amendment prepared by the Veterans' Administration will be put in the bill.

Mr. KEARNEY. Is it the intention to offer the House bill, H. R. 8465, as a substitute?

Mr. TEAGUE. Yes; I intend to offer that as a substitute for the Senate bill 2596.

Mr. KEARNEY. If that is so, what would be the difference in the cost of the bill as it passed the Senate and the cost of the proposed amendment?

Mr. TEAGUE. The gentleman from New York [Mr. KEARNEY] heard the same testimony that I heard concerning S. 2596, in executive session in our committee. At that time the Veterans' Administration did not mention the expiration date of the GI bill. It would not change anything as pertains to the expiration date of the GI bill.

Mr. KEARNEY. But as I get the picture it changes the figures in the Senate bill from $2,500,000,000 to $2,500,000. If that is so I am going to ask the question now, How can we reconcile any differences in any conference committee between the sum of $2,000,000,000 and $2,000,000?

Mr. TEAGUE. The gentleman from New York knows that when the Senate passed this bill there was no thought of any such cost as that. The Veterans' Administration came up with that figure before the Appropriations Committee, after they had testified before our committee. There was no Senator that ever mentioned changing the expiration date of the GI bill. There is no Senator who will object to this amendment.

Mr. KEARNEY. You understand I am not criticizing my good friend from Texas, because there is not a harder worker on the Veterans' Affairs Committee than the geneleman from Texas, but I do say that as far as this particular legislation is concerned, as it stands now I am opposed to it, for the simple reason that we have never had any hearings on this bill.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. THOMAS. May I ask my colleague from Texas this question. About 3 days ago, Mr. Lawton, the present Director of the Bureau of the Budget, sent to the Committee on Appropriations covering the independent agencies a letter stating that S. 2596 will cost an additional $1,000,000,000 a year. If my memory serves me correctly, we appropriated for education and training for the fiscal year 1950, $2,900,000,000. He says this bill S. 2596 will cost an additional $1,000,000,000. I wonder if the gentleman is prepared to break down at this time the difference in cost of S. 2596 and H. R. 8465? I believe the gentleman intends to substitute H. R. 8465; is that correct?

Mr. TEAGUE. Yes, sir. Does the gentleman have a copy of H. R. 8465 before him?

Mr. THOMAS. Can the gentleman break down the difference in cost and give that more or less in round figures?

Mr. TEAGUE. I have not seen the letter from Mr. Lawton, but I did read the testimony before your subcommittee where they said it would cost an additional $2,500,000,000.

Mr. THOMAS. That was the Director of the Veterans' Administration, General Gray.

Mr. TEAGUE. I, in turn, wrote to them and asked them to explain where that could possibly happen. They said it was because of the preamble. There is one section in H. R. 8465, section 4, that contains the cost of $2,300,000.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield again?

Mr. LYLE. I yield.

Mr. JOHNSON. Will the gentleman again state how he feels assured that in the event his substitute bill is passed how we can be assured that in conference they will not split the difference, or do something like that, and run it into billions of dollar on this legislation.

Mr. TEAGUE. I will say to the gentleman that there was no intent by the people who passed this bill in the Senate to change the expiration date of the GI bill. As far as I am concerned, I am sure I can state for the gentleman from Mississippi [Mr. RANKIN] and the gentlewoman from Massachusetts [Mrs. ROGERS] that we would not agree to any such thing as that in conference.

Mr. JOHNSON. I am glad to have that assurance.

Mr. KEARNEY. Will the gentleman yield again?

Mr. LYLE. I yield.

Mr. KEARNEY. I bring up again my original thought about a compromise. How can you or any member of the conference committee adjust the differences between $2,000,000,000 and $2,000,000?

Mr. TEAGUE. If the gentleman from New York introduced a bill by which he intended to do something, and the agency involved came back and said that because of language that he had in the bill, an amount that he had never dreamed of, would be required, and he wrote the agency and asked for an amendment, would he worry about the amount then?

Mr. KEARNEY. Well, I am particularly worried about the amount in these two bills, I will say very frankly to the gentleman from Texas. I have here a statement which I referred to previously of the hearings before the Committee on Appropriations. The chairman of the subcommittee, the gentleman from Texas [Mr. THOMAS] stated:

> General Gray's figure was about $2,500,000,000 additional cost per annum. That would make a total expenditure of over $5,000,000,000 a year if S. 2596 goes through.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. MASON. I want to know if this changed expiration date is the thing that changed the $2,000,000 to $2,000,000,000.

Mr. TEAGUE. That is it exactly; the gentleman is correct.

Mr. MASON. Then if that change in the expiration date is corrected it will be approximately $2,000,000.

Mr. TEAGUE. Correct.

Mr. LYLE. Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may need.

The SPEAKER pro tempore. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, it seems to me obvious to everyone in this room after hearing the discussion here that the committee themselves do not agree on what the cost of this measure is going to be. Some say $2,000,000; some say $2,000,000,000; some say $5,000,000,000.

I personally am sorry that this bill is here before the Congress under these conditions, a bill on which they have had no hearings. I have attempted to obtain some information as to the provisions, cost, and so forth, but have been unable to do so. If this committee wants to come in where they themselves do not understand what is contained in the bill and ask Congress to pass something like that, I just think it is bad procedure.

Mr. TEAGUE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. TEAGUE. There have been no specific hearings on this bill, but before the Senate committee, before our Committee on Appropriations, before the House Committee on Veterans' Affairs, there have been hearings on this same provision.

Mr. KEARNEY. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. KEARNEY. As a matter of fact, is it not true that we adopted the hearings of the other body with reference to a bill we had on the floor here a short time ago which caused quite a bit of confusion? That was the 16,000-bed hospital bill.

Mr. ALLEN of Illinois. That is true. We do not know who appeared before the Senate committee, we do not know who appeared in opposition to the bill or in favor of it; no one knows that.

Mr. TEAGUE. Most of the hearings in the Senate were in executive session of the Committee on Education and Labor and they heard representatives of the Veterans' Administration. There were a number of conferences and my colleague from Texas [Mr. THOMAS] can verify this or tell whether it is true or not, that there were conferences between the Appropriations subcommittee and the Veterans' Administration trying to work out the language of this bill; and there were about 2 weeks of hearings over in the Senate before the Committee on Education and Labor. The bill was reported out of the Senate committee unanimously and passed by the Senate unanimously.

Mr. ALLEN of Illinois. Was the Director of the Budget brought down to testify as to the cost of the bill?

Mr. TEAGUE. I do not recall whether there was a letter from the Director of the Budget or not; there was one from the Director of the Veterans' Administration.

Mr. EVINS. Mr. Speaker, if the gentleman will yield, I think I can give him a little helpful information.

Mr. ALLEN of Illinois. I yield.

Mr. EVINS. General Gray does not like this bill. General Gray, the Veterans' Administrator, is opposed to this bill. He is opposed to any legislation that will tie his hands or that will restrict him in the issuance of regulations from time to time in the administration of this program, so General Gray is opposed to the bill. But the veterans of the country want some standard set up in the operation of the schools; the school authorities themselves want some standards set up whereby they can operate under some educational standards; the veterans' organizations see the need for it; educators of the country see the need for it. But General Gray does not want any law written in this Congress which will tie his hands in the running of the program. There is the opposition.

This is not a money bill; this is a belated setting up of standards and prescribing of regulations. The language of the bill incorporates 90 percent of the law already on the books in the Eightieth Congress. They did not include money in the appropriation bill for avocational and recreational training. In the first session of the Eighty-first Congress the same legislation was rewritten. Regulations have been issued which are included in this bill. So what I am trying to say to the gentleman is, this is not a money bill. This is a bill for setting up standards and regulations which are already law and which are in effect.

Mr. JOHNSON. How did the Rules Committee happen to give a rule on a bill on which no hearings were held? Why did the Rules Committee permit the bill to come out?

Mr. ALLEN of Illinois. They came to the committee and said it was unanimously reported with the exception of the gentleman from Mississippi [Mr. RANKIN]. I do not believe he took an active part. We were told that the committee was unanimously for it with the exception of the gentleman from Mississippi [Mr. RANKIN].

Mr. JOHNSON. It developed before the Rules Committee there had been no hearings?

Mr. ALLEN of Illinois. Yes, and I was opposed to it.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I concur in everything the gentleman from Tennessee has said with reference to this matter with one exception. I went down to see General Gray in reference to this particular legislation, not the bill which the gentleman from Texas is going to substitute but the bill, S. 2596, which I was under the impression until about a minute or two ago was the bill that would be before us today.

General Gray said to me: "I am the Administrator of Veterans' Affairs and I will administer any bill that you send down here. That is my job."

He did not say he was for or against this bill. I think General Gray is a sound administrator, I think he means what he says. This is the House of Representatives and if we send a bill down there General Gray has said he will administer it. As a matter of fact, he will administer it whether he likes it or not, for that matter. I do think in fairness to the general I ought to say that he is not

for or against the bill as he explained to me in person.

Mr. EVINS. May I say that when General Gray came before our committee in October of last year he asked the committee and the Congress not to take any action until he had an opportunity to report to the Congress. He subsequently reported with a volume of some 200 pages, listing about 200 schools out of the literally thousands throughout the country in which he has found some practices which are objectionable.

Mr. ALLEN of Illinois. Here is what most of us on the Rules Committee understood about the bill. It was to perfect title II of the Service Readjustment Act. There were a lot of these fly-by-night schools that started up for recreational purposes, teaching veterans how to dance and so forth. In the Rules Committee we thought this bill was to perfect title II at a cost of about $2,000,000. Now we learn it comes to $2,000,000,000 or $5,000,000,000. I will ask the gentleman from Texas this question: Will this cost two billion or two million? That is the question I think will decide the issue.

Mr. TEAGUE. I will stake my life on the fact it will cost $2,000,000 and not $2,000,000,000.

Mr. ALLEN of Illinois. I think that answers the question as far as I am individually concerned, if the gentleman says he is willing to stake his reputation on the fact it will cost $2,000,000. I do not want to see any more of these fly-by-night schools all over the country and if it is going to cost two, three, or five billion dollars then naturally I think we should oppose the bill.

Mr. TEAGUE. This bill was turned over to the Legislative Reference Service and they were requested to make a study. May I read the last paragraph of Mr. Griffith's letter?

As we have indicated at the outset, difficulty has been experienced in evaluating the objections raised by the Administrator and the Solicitor, but the main decision to be faced in the consideration of S. 2596, as we see it, is whether Congress shall legislate and establish policy with regard to entitlement of veterans to educational benefits or leave this matter to the Administrator. Some of the objections raised appear to relate to provisions now found in the regulations or instructions which are substantially the same as those contained in the bill. The natural conclusion is that these objections are to establishment of these limitations by legislation, thus precluding further administrative change.

Mr. ALLEN of Illinois. May I ask the gentleman from Tennessee [Mr. EVINS] whether, in his opinion, this bill will cost $2,000,000,000?

Mr. EVINS. No; it will not. I think that by the adoption of these standards and having some uniformity in the operation of the schools it will bring about some economy in its operation.

Mr. ALLEN of Illinois. Let me ask the gentleman from Mississippi [Mr. RANKIN] what his opinion is in regard to the cost of this bill?

Mr. RANKIN. Let me say to the gentleman from Illinois that I opposed reporting out Senate bill 2596. The gentleman said a while ago, as I understood him, that I was the only member of the committee that opposed reporting it out. The vote was 8 to 5. Only 13 members voted on this bill, S. 2596. Now, the gentleman from Texas [Mr. TEAGUE] has a substitute that he proposes to offer. I have not gone over it as carefully as I should. I have not had the time nor the opportunity, but so far as Senate bill 2596 is concerned, as it passed the Senate, I certainly would not support that measure under any consideration.

Mr. ALLEN of Illinois. What is the opinion of the gentleman from New York [Mr. KEARNEY] as to the cost?

Mr. KEARNEY. Well, I cannot give any information nor can anybody else. We have not had any hearings on it, so how can we give any figures?

Mr. LYLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mrs. WOODHOUSE asked and was given permission to extend her remarks and include an editorial.

Mr. ALBERT asked and was given permission to extend his remarks and include an address by Mr. Eddie Menasco at the Eastern Oklahoma Agricultural and Mechanical College.

Mr. BARTLETT asked and was given permission to extend his remarks and include an editorial.

Mr. BOLLING, Mr. RODINO, and Mr. ADDONIZIO asked and were given permission to extend their remarks.

Mr. BRYSON asked and was given permission to extend his remarks in three instances and include newspaper clippings.

Mr. MULTER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in two instances and include additional matter including essays by a young man and a young woman, winners of awards given by the Veterans of Foreign Wars in Philadelphia.

Mr. FENTON asked and was given permission to extend his remarks and include a letter.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks and include an editorial.

Mr. FARRINGTON asked and was given permission to extend his remarks and include extraneous matter.

Mr. TAURIELLO asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. HELLER asked and was given permission to extend his remarks in eight instances, in each to include extraneous matter.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks at the conclusion of the legislative program and special order for the day.

Mr. WIDNALL asked and was given permission to extend his remarks and include a statement.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks.

Mr. LANE asked and was given permission to extend his remarks and include extraneous matter.

Mr. DELANEY asked and was given permission to extend his remarks and include an article that appeared in America, by Hon. WALTER A. LYNCH.

Mr. HOLIFIELD asked and was given permission to extend his remarks and include an article from Newsweek Magazine.

Mr. RICH asked and was given permission to extend his remarks and include an editorial from the Altoona Tribune.

Mr. COUDERT asked and was given permission to extend his remarks and include a speech.

Mr. BIEMILLER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. PATMAN asked and was given permission to extend his remarks and include the text of President Truman's speech delivered at Pendleton, Oreg., on yesterday, on economic affairs.

Mr. SABATH asked and was given permission to extend his remarks in three instances; to include in one a speech delivered by President Truman in Galesburg, Ill., day before yesterday, and in one to include editorials appearing in the Chicago Sun-Times.

PRINTING OF REVISED EDITION OF THE BIOGRAPHICAL DIRECTORY OF THE AMERICAN CONGRESS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Con. Res. 182) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That H. Con. Res. 163, adopted on July 26, 1946, providing for the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress, be, and is hereby, rescinded, and that in lieu thereof there shall be compiled and printed, with illustrations, as a House document, in such style and form as may be directed by the Joint Committee on Printing, a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress (1774–1948); and that 6,500 additional copies shall be printed, of which 4,400 copies shall be for the use of the House of Representatives, 1,600 copies for the use of the Senate, and 500 copies for the use of the Joint Committee on Printing.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HEARINGS RELATIVE TO THE NATIONAL HEALTH PLAN

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolu-

tion (H. Con. Res. 176) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Interstate and Foreign Commerce, House of Representatives, be, and is hereby, authorized and empowered to have printed for its use 2,000 additional copies of the hearings held before a subcommittee of said committee during the Eighty-first Congress, first session, relative to the national health plan.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF DOCUMENT ENTITLED "UNIFICATION AND STRATEGY"

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 551) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the report entitled "Unification and Strategy" made by the Committee on Armed Services of the House of Representatives be printed as a House document.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Will the gentlewoman kindly explain what this document is?

Mrs. NORTON. It authorizes the printing of the report entitled "Unification and Strategy" as a House document. The estimated cost is $229.08.

Mr. MARTIN of Masachusetts. What is the document?

Mrs. NORTON. The name of it is "Unification and Strategy."

Mr. MARTIN of Massachusetts. But what committee got it out?

Mr. ALBERT. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. This is a committee print from the House Committee on Armed Services. The resolution was introduced by the chairman of the committee, the gentleman from Georgia [Mr. VINSON]. He has asked the Committee on House Administration to report this resolution.

Mr. MARTIN of Massachusetts. Is there any popular demand for it?

Mr. ALBERT. Apparently there is.

Mr. VAN ZANDT. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I may say that the publication relates to the investigation conducted by the House Committee on Armed Services on the B–36 and related matters.

Mr. STEFAN. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Nebraska.

Mr. STEFAN. Is this document a criticism of Secretary of the Navy Matthews?

Mrs. NORTON. I am sure that it is not.

Mr. ALBERT. I do not think so, either.

Mr. STEFAN. I would oppose a criticism like that unless I saw the document.

Mrs. NORTON. As far as I know, no criticism is involved.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF DOCUMENT ENTITLED "CONGRESS AND THE MONOPOLY PROBLEM—FIFTY YEARS OF ANTITRUST DEVELOPMENT, 1900–1950"

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 557) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the committee print entitled "Congress and the Monopoly Problem—Fifty Years of Antitrust Development, 1900–1950," prepared for the use of the Select Committee on Small Business, be printed as a House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF DOCUMENT ENTITLED "THE MAKING OF A CONGRESSMAN"

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 595) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the manuscript entitled "The Making of a Congressman" be printed as a House document.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. NORTON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Will the gentlewoman explain who is the author of this, and how it can be done?

Mrs. NORTON. They are the remarks of the gentleman from Vermont [Mr. PLUMLEY] which appeared in the RECORD recently, as the gentleman well knows. The gentleman could not possibly object to this resolution, I may say.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. HAZEL PRATER

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 555) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Hazel Prater, daughter of Eva M. Young, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate she was receiving at the time of her death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Eva M. Young.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. ROSE MARGARET TORRANCE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 591) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Rose Margaret Torrance, widow of Thomas Torrance, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Thomas Torrance.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ALBERT A. WREDE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 594) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Albert A. Wrede, father of Edward C. Wrede, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed $350 toward defraying the funeral expenses of said Edward C. Wrede.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ESTATE OF GEORGE T. GIRAGI

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 506) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to the estate of George T. Giragi, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed $350 toward defraying the funeral expenses of the said George T. Giragi.

With the following committee amendment:

Page 1, line 4, strike out lines 4 and 5 down to the word "not."

The committee amendment was agreed to.

The resolution was agreed to.

The title was amended so as to read: "Resolution providing for the payment of $350 funeral expenses to the estate

of George T. Giragi, late an employee of the House of Representatives."

A motion to reconsider was laid on the table.

ADDITIONAL COMPENSATION FOR CERTAIN EMPLOYEES

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 534) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective April 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation at the basic rate per anum to certain employees of the House, as follows:

OFFICE OF THE DOORKEEPER

To the superintendent, House Press Gallery, the sum of $480; first assistant superintendent, House Press Gallery, the sum of $500; second assistant superintendent, House Press Gallery, the sum of $500; third assistant superintendent, House Press Gallery, the sum of $400; messenger, House Press Gallery, the sum of $440; superintendent, House Periodical Press Gallery, the sum of $500; superintendent, House Radio Press Gallery, the sum of $500; first assistant superintendent, House Radio Press Gallery, the sum of $300; and messenger, House Radio Press Gallery, the sum of $450, whose title hereafter shall be changed to read second assistant superintendent, House Radio Press Gallery.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 524) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments, acting as a whole or by subcommittee, not to exceed $150,000, in addition to $50,000 authorized by House Resolution 88, Eighty-first Congress, agreed to February 9, 1949; $50,000, authorized by House Resolution 127, Eighty-first Congress, agreed to April 1, 1949; and $50,000, authorized by House Resolution 252, Eighty-first Congress, agreed to July 1, 1949, including employment of such experts, special counsel, and such clerical, stenographic, and other assistants, and which shall also be available for expenses incurred by said committee or subcommittees outside the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 495) and ask for its immediate consideration.

Mr. HAYS of Ohio. Mr. Speaker, I make a point of order against the consideration of the resolution on the ground that a quorum was not present when it was reported out of committee.

Mrs. NORTON. Mr. Speaker, we did have a quorum present, but some Member may have slipped out of committee during the consideration of the resolution. I assumed that a quorum was present.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. May not the consideration of this resolution at this time be blocked by a point of order that a quorum is not present in the House?

The SPEAKER pro tempore. Of course, the point of order that a quorum is not present may be made at any time.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. RANKIN. Mr. Speaker, it is too late to raise the point of order that a quorum was not present in the committee after it has reached the floor of the House. If no point of order is made in the committee, the presumption is that a quorum was present. To take any other attitude would virtually paralyze legislation. If no point of order was made at the time, the presumption then is that a quorum was present.

The SPEAKER pro tempore. The Chair will state in response to the parliamentary inquiry that the point of order is properly addressed at this point because the resolution has just been reported to the House. The question as to whether or not the point of order will be sustained is an entirely different question.

The Chair would like to ask the gentlewoman from New Jersey if at the time the resolution was reported out there was a quorum present in the committee.

Mrs. NORTON. To the best of my knowledge, there was.

The SPEAKER pro tempore. The Chair would like to ask the gentleman from Ohio [Mr. HAYS] whether or not he was present at the time the resolution was reported out.

Mr. HAYS of Ohio. The gentleman from Ohio was not present at the time. He came in late and was informed there had not been a quorum present at any time. Another resolution was blocked a little later on account of it.

Mr. RANKIN. Mr. Speaker, a further point of order. This is a very serious proposition that really affects the orderly procedure of the House. I make the point of order that it is too late to raise a point of order that there was no quorum present in the committee unless that point of order was made in the committee.

The SPEAKER pro tempore. The Chair will state that the point of order can be made in the House when the report is made. A point of order that a quorum was not present when the resolution was reported out can be made when the resolution is reported to the House. For that reason the Chair rules that the gentleman from Ohio [Mr. HAYS] is within his rights at this particular time in making the point of order that he has.

Mrs. NORTON. Mr. Speaker, if the gentleman insists on his point of order, I will withdraw the resolution.

The SPEAKER pro tempore. The resolution is withdrawn.

Mrs. NORTON. May I at this time thank the gentleman from Mississippi [Mr. RANKIN] for yielding this time to me.

Mr. RANKIN. The lady is quite welcome. I was glad to yield all the time she needed.

Mr. STANLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STANLEY. What is the status of the resolution now that has just been withdrawn?

The SPEAKER pro tempore. The gentlewoman from New Jersey has withdrawn the resolution. The matter is not before the House. Therefore, there is no question for the Chair to pass upon.

Mr. STANLEY. Could the resolution be properly presented to the House again without going back to the committee?

The SPEAKER pro tempore. Of course, it could be taken up by unanimous consent. In the event of its being presented again, a point of order could be raised; but the Chair would not express any opinion now on the point of order that might be raised at that time.

Mr. STANLEY. A further parliamentary inquiry, Mr. Speaker. Is this a privileged matter?

The SPEAKER pro tempore. If it is reported out of committee with a quorum present, it is a privileged matter.

Mr. RANKIN. Mr. Speaker, under the rules of the House and the rules of every committee, legislation is passed every day without a quorum being present, and unless that question is raised they cannot go into the courts and contest the legislation. The same thing applies to the committee. A ruling to the contrary would simply demoralize legislative procedure as far as the committees of this House are concerned.

The SPEAKER pro tempore. The Chair calls the attention of the gentleman from Mississippi to paragraph (d) of section 133 of the Legislative Reorganization Act, which reads as follows:

No measure or recommendation shall be reported from any such committee unless a majority of the committee was actually present.

The gentleman from Mississippi is recognized.

Mr. RANKIN. That means the paralyzing of legislation.

The SPEAKER pro tempore. The gentleman from Mississippi was recognized for a motion.

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

Mr. RANKIN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration

of a bill that was reported under the same conditions, S. 2596, relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2596) relating to education and training of veterans, with Mr. WELCH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Mississippi is recognized for 30 minutes, and the gentlewoman from Massachusetts, for 30 minutes.

Mr. RANKIN. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE. Mr. Chairman, if it is possible for me to get over to the Members of this House what is in this bill, 99 percent of them will be 100 percent for it.

This is not a liberalizing bill; it is a restrictive bill. It is not a bill to add money to the GI bill; it is a bill to make the GI bill more restrictive and to save money.

Six years ago today, on May 11, 1944, this House began general debate on S. 1767, the so-called GI bill. There was much debate as to whether it was a States' rights bill; there was considerable debate between the members of the Committee on Education and Labor and the Committee on World War Veterans' Legislation as to what each committee had accomplished. The gentleman from Mississippi [Mr. RANKIN] told of his early school teaching days in a one-room school and stated that the first day of school he had five students and five dogs, and that the school was a howling success. It was very interesting to read the debate on the GI bill.

Mr. Chairman, there has never been a country which tried to do as much for their returning veterans as this Congress did in May of 1944. The House of Representatives foresaw all the danger in the bill—the so-called fly-by-night schools, veterans who abused their privileges, and also administrative abuses by the Veterans' Administration.

Soon after this law became operational and as predicted in the debate on the GI bill, many new schools came into existence, and, obviously, many, such as dancing schools, personality development schools, calisthenics, and similar subjects, were obviously of a fly-by-night nature. As the number of schools continued to increase and the amount of money paid for tuition, fees, and subsistence continued to increase, the Veterans' Administration issued change No. 9, the first tightening of the GI bill. This regulation required, among other things, that all schools operating for a profit, a majority of whose students were veterans, and which were established after June 22, 1944, or which, though established prior to that date, had not been in continuous operation since that date, or which had increased their tuition charge by 25 percent since that date, enter into a contract with the Veterans' Administration—such contract to establish the rate which such school should receive for tuition, fees, books, and other necessary supplies. Moreover, the contract rate so established was to be renegotiated at the end of each contract period.

As time went on a series of three amendments were enacted, each amendment further tightening the GI bill and attempting to prevent known abuses of the GI bill. The first one was Public Law 679, in the Seventy-ninth Congress, establishing standards for on-the-job training for veterans and authorizing the reimbursement of State agencies for services rendered in assuring compliance with these standards. The next amendment was Public Law 377, which established standards for institutional on-the-job training. The third amendment was Public Law 862, of the Eightieth Congress. This amendment prohibited the expenditure of Federal funds for tuition, fees, or subsistence allowance in connection with any avocational or recreational course. Public Law 266, of the Eighty-first Congress, continued the same ban in modified form and in addition required schools operating for profit to have had at least 1 year of successful operation before being permitted to participate in this program. As a result of language in Public Law 266, the Veterans' Administration 1 week later issued a most arbitrary regulation, No. 1–A. This is the regulation which caused the senior Senator from Ohio to tell Mr. H. V. Stirling, of the Veterans' Administration, that he had no faith in him. This regulation, among a number of other things, declared that all schools established after June 22, 1944, were avocational and recreational. Soon after this regulation was issued, Mr. Speaker, and after a number of conferences between Members of the House and the Senate with the Veterans' Administration, 1–A was replaced with 1–B, and the Veterans' Administration was requested to make a complete report on educational training under the Servicemen's Readjustment Act, as amended.

As a result of 1–A and a result of the conferences between Members of Congress and the Veterans' Administration, S. 2596 was introduced and passed in the Senate for three reasons: First, to safeguard the rights conferred upon the veterans by basic law; second, to regularize the policy and practice to be pursued by the Veterans' Administration in its relationship with educational institutions participating in the program; and, third, to clarify and strengthen the authority of the Veterans' Administrator to cope with certain abuses under the act.

Mr. Chairman, since that time the Veterans' Administration has made its report on the GI bill and the President transmitted this report to Congress with a special message dated February 13, 1950. In this message the President made eight specific recommendations which he said were necessary to assure that our expenditures for this program yield a proper return both to the veterans and to the Nation as a whole.

Mr. Chairman, this legislation includes seven of the eight recommendations and a portion of the eighth recommendation. The President recommended that the present expiration date of the GI bill be preserved. This bill complies with this recommendation. The President recommended that the 1 year ban against new schools as established by Public Law 266 last year be continued. This bill continues a 1-year ban against new schools. This provision will virtually prohibit the establishment of any new profit schools.

The President has recommended that the prohibition against the use of funds for avocational and recreational training enacted by the Congress by Public Law 862, Eightieth Congress, be continued. The avocational restriction which would expire with the 1949 Appropriation Act would be made permanent law by this bill. The President has recommended that the present restrictions which are now regulation against indiscriminate course changing be continued. This bill allows a veteran to take courses in the same general field in accordance with present regulations. The present law has no restriction against change of course by the veteran.

The President has recommended that the Veterans' Administration be given additional authority to require schools to properly report when a veteran interrupts his training or accrues excessive absences. This bill provides additional authority to the Veterans' Administration to require prompt and accurate reports. The President has made a recommendation that minimum standards be established for the States in approving schools. The State approval agencies have previously recommended that such standards be established. The President has also recommended that the States be given financial assistance to enforce these standards as is now provided for the enforcement of standards for on-the-job training.

After the President's message of February 13, 1950, the gentleman from Georgia [Mr. WHEELER] introduced a bill containing minimum standards. Within the past 10 days the gentleman from Georgia [Mr. WHEELER] together with myself and representatives of the schools, State approval agencies and institutions of higher learning have worked out a set of standards to which we generally agree.

Mr. Chairman, from questions that I have been asked, it appears that Members of Congress want to know about the cost of S. 2596, whether it liberalizes the GI bill and whether it provides restrictions and controls for the so-called fly-by-night schools. This bill does not liberalize the GI bill of rights and does establish a number of restrictions on the so-called fly-by-night schools.

Mr. H. V. Stirling testified before the Appropriation Subcommittee of the House that this bill would involve increased costs.

I wrote the Administrator of Veterans' Affairs asking for an explanation of this alleged increase in cost and I was advised by the Administrator that their estimate of increased cost was based on

the assumption that the preamble of this bill did away with the July 25, 1951, expiration date. I replied to the Administrator that it was not the intent of anyone supporting this bill to extend the GI bill and asked that the Veterans' Administration submit to me a proposed amendment which would correct the preamble and remove the doubt as to cost. I also sent this bill to the legislative reference service of the Library of Congress for study and they reported as follows:

> With regard to the termination date we find no item in the bill which affects a change.

Regardless of that, Mr. Chairman, the amendment prepared by the Veterans' Administration which I will introduce, will remove all doubt as to increased cost and will preserve the expiration date as now provided by the GI bill.

The Veterans' Administration claims that section 3 of the bill would cost approximately $20,000,000. This section would broaden the base of reimbursement of nonprofit institutions of higher learning to include the entire cost of training the veteran. This provision would place all institutions on an equal basis regardless of whether they are State institutions or private schools. Because of cost, an amendment will be offered to strike this section from the bill.

The other item of cost is section VI of the bill. This section provided reimbursement to States for services in determining the qualifications of proprietary institutions. The Veterans' Administration estimates the cost of this section to be $2,330,000. This section complies with one of the recommendations of the President in his message to Congress dated February 13, 1950, and will provide funds for the States to intensify supervision of schools for the purpose of further reducing abuses.

Mr. Chairman, the gentleman from Georgia [Mr. WHEELER] has worked very hard on this bill and I regret that it was necessary that he go back to Georgia. He is in complete agreement on this bill, and I know of no one opposing it.

Mr. Chairman, after conferring with the House Parliamentarian I introduced yesterday H. R. 8465 which is a new bill including all proposed amendments which I have mentioned and when we begin reading S. 2596 I shall offer H. R. 8465 as an amendment.

Mr. Chairman, section 1 of this bill continues the provision that a school must be in operation 1 year before they are allowed to participate in the veteran program. It also provides that a veteran may not change courses except in the same general field. In other words, it prohibits veterans from taking a barbering course, a tailoring course, and a cooking course. This section also continues the ban on avocational or recreational training which was a part of Public Law 862, an appropriation bill.

Section 2 of this bill writes into permanent law the provision of Public Law 266 on customary tuition charges. It also writes into permanent law the Veterans' Educational Appeals Board provided for in Public Law 266 except that under this bill the Veterans' Appeal Board would be appointed by the President of the United States and not by the Administrator of Veterans' Affairs. This section also provides that the Administration shall continue to make further payments to a school at such amount as the Administrator considers to be fair and reasonable during negotiations for a contract and during the pendency of any appeal which the school may make.

Mr. Chairman, there will be a motion to strike section 3 from the bill because of cost.

Section 4 of the bill provides that a school shall be considered nonprofit if it is exempt from taxation under paragraph 6, section 101 of the Internal Revenue Code whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944.

Mr. Chairman, section 5 was one of the recommendations of the President and which provides some inspection service for State-approval agencies in ascertaining the qualifications of schools under the GI bill.

Section 6 of the bill is a proposed set of standards which were recommended by the President and which were worked out and agreed to by myself, the gentleman from Georgia, representatives of the private schools, and representative of the State-approval agencies.

There is one paragraph of this section to which there was some objection by the schools and is paragraph 3, page 12.

Section 7 of the bill was a recommendation of the President concerning hours per week of schools. Section 8 was a recommendation of the President. Sections 9, 10, and 11 are administrative sections.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Tennessee.

Mr. EVINS. It is my understanding that the gentleman intends to offer at the appropriate time as a substitution for this bill, the bill H. R. 8465; is that correct?

Mr. TEAGUE. I expect to offer it as an amendment to the bill S. 2596. After conferring with the Parliamentarian of the House yesterday he suggested that it be handled in this way, and that is the reason it has been done in that manner.

Mr. EVINS. Is H. R. 8465 substantially the same as S. 2596? And if there are any differences, what are the differences?

Mr. TEAGUE. If the gentleman will permit, I will get to that.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Ohio.

Mr. VORYS. The report says that the Committee on Veterans' Affairs is reporting the bill S. 2596. Is that the fact, that it was S. 2596 that was considered and reported by the gentleman's committee?

Mr. TEAGUE. That is correct. Last year the Senate passed S. 2596. At the same time they asked for a complete report from the Veterans' Administration, and that report has been made. The President has recommended that those eight recommendations be put into effect, and that we put in some standards. This bill, H. R. 8465, which will be offered as an amendment, includes those recommendations and those standards.

Mr. VORYS. The gentleman says "which will be offered." Is H. R. 8465 a committee amendment that has been voted on?

Mr. TEAGUE. No, it is not. Because of the number of those amendments, and after conferring with the House Parliamentarian, I introduced that bill yesterday.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. HOLIFIELD. I have in mind an automotive training school that was in existence 8 months. It was a legitimate school, but due to the 1-year ruling it was not allowed any more tuition from the Government for its enrollees. The school, nevertheless, maintained its courses and now it has passed the 1-year mark. Is it possible for that school to be approved?

Mr. TEAGUE. If the school has existed for 1 year and its standards are such that the State approval agency recommends it, then they would be permitted to accept veteran students.

Mr. HOLIFIELD. Even though they had been disqualified under the previous regulations.

Mr. TEAGUE. That is correct, because it must have existed for 1 year.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Michigan.

Mr. FORD. On page 2 of S. 2596, in subparagraph (b) the last sentence, there is this language:

> Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph.

On page 5 of the committee report there is practically a reiteration of that particular sentence. I am wondering if, in the amendment that the gentleman intends to offer, there is a similar provision.

Mr. EVINS. That is exactly the question I wanted to propound to the gentleman.

Mr. TEAGUE. When our Subcommittee on Appropriations last year put that wording in the appropriation bill, it made it retroactive, and the number of schools that had been in existence for 9, 10, and 11 months, were suddenly cut out. That wording was put in the Senate bill to take care of those schools, but no similar wording is contained in H. R. 8465, which will be offered as an amendment.

Mr. FORD. Would the gentleman object to the inclusion of such a sentence in the amendment that he intends to offer?

Mr. TEAGUE. I know of two or three Members that intend to offer that amendment. If that amendment is to

take care of those schools who were done an injustice last year, in order to take care of those schools, I would have no objection. If it is a case of permitting indiscriminate new schools, I would be against it.

Mr. FORD. I think that particular sentence protects against the establishment of schools of fly-by-night character indiscriminately. In other words, the Administrator still has discretionary authority. He could use that discretion to approve legitimate schools that were caught in the box, so to speak, in the last few months following the enactment of the law that contained section 266.

Mr. TEAGUE. Certainly, a number of those schools were done an injustice.

Mr. EVINS. Mr. Chairman, if the gentleman will yield, the gentleman knows that I am supporting his bill and I have been working with him on it. I was under the impression that the language the gentleman mentioned would be included in the substitute, H. R. 8465. I have been unable to find that language, and therefore I have an amendment that I will offer to reinstate it. I think, in fairness to the schools that have been in operation for some months and doing a good job, that they should not be discontinued.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I will be glad to yield to the gentleman from Iowa. I just read the gentleman's debate, and I read all his statements on the GI bill when it was considered 6 years ago.

Mr. CUNNINGHAM. If I understand the gentleman's bill, the real purpose of this educational provision is that if the school has been in existence for 1 year and has met the requirements of the State authority, whether it be the superintendent of public instruction or whoever it is in the State that authorizes the schools, then it is qualified to train the veteran, and it will not be subject to being disqualified by any arbitrary ruling of the Veterans' Administration. Is that correct?

Mr. TEAGUE. Any school where the Veterans' Administration finds that the students are not receiving proper training, the Veterans' Administration cannot disapprove the school but can stop the tuition and subsistence of the veterans who go to the school. In that way the head of the Veterans' Administration can control any school if there is an obvious fraud or something of that sort going on.

Mr. CUNNINGHAM. The gentleman's bill will still permit that?

Mr. TEAGUE. That is right.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from New York.

Mr. JAVITS. I think the RECORD should show that the gentleman from Texas has led in this fight and has done a perfectly remarkable job, and has earned almost as many decorations in this peacetime war as he earned during the war.

Mr. TEAGUE. I appreciate the remarks of the gentleman from New York.

Mr. JAVITS. May I ask the gentleman whether the key to what he is trying to accomplish is not contained in the one sentence of the report of the committee on page 4 which states:

> Moreover, the numerous amendments, clarifications, and interpretations subsequently issued by the VA added to the general confusion.

Is the gentleman trying to resolve all of that dispute?

Mr. TEAGUE. That is exactly correct.

Mr. JAVITS. I would like to advise the Members that passage of this bill, according to the substitute the gentleman from Texas will offer, is a most important question on which I have heard from a very large number of veterans from my district favoring it. The substitute only seeks to secure for veterans the full rights which the Congress intended they should have in terms of education and training. It is an effort to see that regulations do not depreciate these rights. This bill will give veterans reasonable and legitimate freedom of action in choice of courses and schools, in respect of their entitlement—and that was as the Congress intended it should be. The effort of the Congress to close some loopholes has been misinterpreted. In this bill we are seeing to it that such misinterpretation, which has been a serious handicap to veterans, is ended. I hope the House will approve this bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. HOFFMAN of Michigan. I understood the gentleman to say in answer to an inquiry of the gentleman from Iowa [Mr. CUNNINGHAM] that under the bill he is now supporting the Veterans' Administration would have the authority to protect the fund against those schools which do not give proper education. Is that the way it is?

Mr. TEAGUE. If somebody is operating a school and it is obvious to the Veterans' Administration that the school is not giving satisfactory teaching to the boys, they have no authority to do anything to the school but they can discontinue the subsistence payments to the boys going to the school, which would in turn stop the school.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. RANKIN. Mr. Chairman, I yield five additional minutes to the gentleman from Texas.

Mr. HOFFMAN of Michigan. The gentleman used the word "obvious," if it is "obvious" to the head of the Veterans' Administration. Does the gentleman mean by that that he must have something more than just ordinary information?

Mr. TEAGUE. No, I do not. I mean that if there is fraud or the school is not giving the kind of instruction it should the Veterans' Administration can stop the subsistence payments to the students going to that school.

Mr. HOFFMAN of Michigan. Yes; but who determines whether there is fraud or whether the instruction is not proper? That is the point that is bothering me.

Mr. TEAGUE. It is a cooperative thing between the State authority and the Veterans' Administration. The Veterans' Administration can override the State approval by stopping the subsistence of the students going to the school.

Mr. HOFFMAN of Michigan. Am I correct in my assumption that the head of the VA can cut off the tuition if, in his judgment, the school is not giving proper instruction?

Mr. TEAGUE. That is the wording of Mr. H. V. Stirling, director of this part of the GI bill. He says they can do that.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman will recall my interest in the GI flight training program and the amendment I had in the appropriation bill to aid GI flight training, to keep the flight training intact. Then the VA went after it, with the result that many of the trainees were precluded from participating in flight training. What will the gentleman's new bill do to the GI flight training? Is the gentleman acquainted with my amendment?

Mr. TEAGUE. Yes; I certainly am.

Mr. STEFAN. The gentleman assisted me in the adoption of that amendment, and agreed with me that flight training should not be considered entertainment.

Mr. TEAGUE. The gentleman is correct. The same wording we put in the appropriation bill is in this bill.

Mr. STEFAN. Is my amendment in there yet?

Mr. TEAGUE. Yes; it is; the same wording.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mrs. ROGERS of Massachusetts. I should be very glad to yield 5 minutes of the time on this side to the gentleman, that he may explain the bill point by point. He has been interrupted and has not explained the entire bill. I wish he would explain the part of the bill that concerns the regulation which is to be issued by the Veterans' Administration.

Mr. Chairman, I hope that the bill offered by the gentleman from Texas as a substitute for S. 2596 will receive favorable consideration. I am disappointed that the members of our Committee on Veterans' Affairs and the Members of the House did not have a longer opportunity to study its provisions and weigh its value to the veterans. I believe it to be good legislation and I will vote for it when offered.

Mr. TEAGUE. I thank the gentlewoman very much for yielding me the additional time.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. VORYS. We have a report here which says "analysis of the bill by sections." Now, we are to throw that away and hear what the gentleman has to say, is that correct?

Mr. TEAGUE. The first section, paragraph A, continues the 1-year ban

against schools. In other words, it requires the school to be in operation for 1 year before it can accept GI students.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. HAND. To what date does the 1-year limitation apply? Will it be 1 year from August 24, 1949?

Mr. TEAGUE. If you start in school today, the school you go to would have to have been in operation for a year.

Mr. HAND. Would it have to be in operation a year before August 24, 1949, which is the date set in the previous bill?

Mr. TEAGUE. No; it would have to be in operation for a year from the date that you go into the school.

Mr. HAND. But there is a date set.

Mr. TEAGUE. Yes; that was the date of the appropriation bill, August 24.

Mr. HAND. And it is still that same date?

Mr. TEAGUE. That is right.

Mr. HAND. So the school would have to have been in existence under your proposed bill or under your amendment for a full year prior to August 24, 1949?

Mr. TEAGUE. No.

Mr. HAND. It would not? Then, will the gentleman tell me what his bill does?

Mr. TEAGUE. If you were to start in a school today, the school would have to have been in operation for 1 year. If you started school a month from now it would have to have been in operation a year prior to the day that you start going to school.

Mr. HAND. That is prior to the day you go in?

Mr. TEAGUE. That is right.

Mr. HAND. That is what the gentleman's bill provides?

Mr. TEAGUE. That is right. That is what the appropriation bill provided also.

Mr. HAND. I thank the gentleman.

Mr. WHITAKER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. WHITAKER. In the original bill, S. 2596, it was provided that a school which has been approved by the Federal agency or by the State agency would be allowed this money from the Government. But now that is being cut out, is that not correct? In other words, I have the only colored trade school in my State. It has been approved by the Federal agency and by the State agency. The people who are putting in this trade school have spent $25,000 on the building. They have spent part of their money on contracts for the educators to run it. Then when the act was passed, this 1-year rule just cut the ground out from under them, so there they are now with a dead approval, and yet they have spent all this money.

Mr. TEAGUE. That is correct. And may I recall to the gentleman that last year when the House of Representatives was holding its sessions in the committee room of the Committee on Ways and Means it was very difficult to hear, and I personally did not know that that was to be passed until it had gone through and neither did other members of the Committee on Veterans' Affairs, that I know of. It is true that many schools were discriminated against in that way.

Mr. WHITAKER. My understanding is that the appropriation for that particular school was included in the estimate.

Mr. TEAGUE. There is to be an amendment offered which will correct that.

Mr. Chairman, to continue with the explanation of the bill:

Paragraph B: If the Administrator finds that the progress of a person is unsatisfactory, he may disapprove a change of course of instruction and may discontinue any course of education in which he finds that the progress is unsatisfactory.

Paragraph C permits a student to change a course in the same general field, but he cannot go from barbering to tailoring to baking.

A number of Members have asked, "What about a boy who starts studying medicine and flunks out and wants to take another course?" Unfortunately he will just be out of luck, so far as this bill is concerned. But in trying to limit the boys who have gone from baking to tailoring and barbering, and so forth, and taking these different courses, it was felt that this provision was necessary.

Paragraph D is the same provision that was in 266 last year on avocational or recreational courses, which contain dancing courses, photography courses, glider courses, bartending, personality development, and entertainment courses, and so forth.

Section 2 is the same wording as 266 last year, with the exception of two things: This bill provides that for the purposes of this bill it includes contracts under Public Law 16 and Public Law 346. If a school has had two contracts, the last contract shall be the one that is in effect. The Veterans' Administration ruled that there was a difference in Public Law 16 and Public Law 346, and therefore many schools could never get two contracts, but these are very largely the same, and this law says they are the same. I understand from talking to members of the Committee on Appropriations that that was their intent in placing that provision in the appropriation bill.

Mr. STEFAN. Will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. STEFAN. To the last word on line 10, page 3, "glider." Will the gentleman explain that?

Mr. TEAGUE. If a man is in flight training, if it is obvious that in his business he can go on, he can go to glider training. But he must get two affidavits saying that that is something that will help him in his business.

The Committee on Appropriations last year said that if the administration finds that any institution has no customary cost of tuition, he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition fees and other charges for the course offered by such institution. Under that language, when the contract period is set, the Veterans' Administration will refuse to pay this institution for 5 or 6 or 7 or 8 months.

The CHAIRMAN. The time of the gentleman from Texas [Mr. TEAGUE] has again expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield the gentleman 10 additional minutes. The gentleman knows the bill probably better than anyone else, and I think it will be helpful to the House to have his explanation.

Mr. TEAGUE. I thank the gentlewoman. In Nashville, Tenn., there is a school where the Veterans' Administration owes that school for 11 months because they have not come to an agreement on a contract. From talking to members of the Committee on Appropriations, it is my understanding that the Veterans' Administration should continue to pay what was a fair and reasonable fee until the contract was negotiated. Therefore, we have put in this bill one provision:

Provided further, That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be fair and reasonable during negotiations for a contract, and during the pendency of any appeal which the school may make.

From many Members of Congress I take it they have received the same complaints. That language was worked up by the Legislative Reference Service and I feel it will take care of these contracts.

Section 3 of the bill is a section which was inadvertently left in the bill and would cost some money. That is not going to be offered as part of the amendment.

Section 4—up until last year the Veterans' Administration ruled that any school would be regarded as a nonprofit school if it was exempt from taxation under paragraph 6, section 101 of the Internal Revenue Code. Last year they ruled that any school created after June 22, 1944, would not be so considered. This bill reaffirms the fact that the Veterans' Administration will regard a school as nonprofit if section 101 of the Internal Revenue Code says they are a nonprofit institution.

Section 4 is one item in this bill that will cost some money. The President, in his recommendation to Congress, recommended that we adopt some standards for this training. He said if Congress could enact minimum standards of the type suggested, it is recommended that, as in the case of on-the-job training courses, Federal grants to States be authorized for necessary expenses to assure sound and effective adminstration of the law. The Veterans' Administration has testified that this provision would cost $2,300,000. The people in my State say that on-the-job training has gone down to such an extent that if the Veterans' Administration will give them permission to use the same people for inspection that they will not need any additional money.

Section 6 is a set of standards.

In the President's message he recommended a set of standards. The gentleman from Georgia [Mr. WHEELER], who has done a lot of work on this bill, the gentleman from Tennessee [Mr. EVINS]—and I might add that the gentleman from Georgia [Mr. WHEELER] is

unable to be present today because he had to go back to Georgia—but the gentleman from Georgia [Mr. WHEELER], a representative of the National Federation of Private Schools, a representative of the National Association of Private Schools, a representative of State approval agencies, Mr. Raisley, of Boston, Mass., who is on the President's Advisory Committee, got together and worked out this set of standards. None of them agreed 100 percent, but they are very similar to the standards that are in the on-the-job training and institutional on-the-farm training programs.

The two things in the standards about which there was any argument was one which states this:

No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are not adequate.

In other words, if a school down in Texas wanted to establish a radio department, or if it was desired to establish a radio school at that place, and there were more than 500 students in the school, if the locality was crowded as far as radio operators were concerned, they would have authority to turn down that school. There was some disagreement on that.

The other part where there was disagreement was on clock hours. The President recommended that the Congress enact legislation to prescribe attendance requirements.

(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required.

That was the biggest problem among this group. For example, in Louisiana, the schools are all on a 25-hour basis. The VA set up 25 hours to begin with. This group finally came up with this idea that those schools in which the majority of the training is theoretical, where they sit in the classroom entirely, 25 hours is sufficient; that in schools where much of the training is shop work or outside work that there should be a minimum of 30 hours.

We wired the State approval agencies in every State in the Union and asked them about this provision, and the majority of the agencies came back with the report that there would be no objection to a 30-hour minimum. There will probably be an amendment to strike out that section, but I am not sure yet.

The President stated in his report that the schools had been lax in reporting absentees, that they had been lax in reporting the veterans who quit their schools or left school, and he recommended some legislation corrective of that situation. There is a provision in this bill to require schools to report absentees and to permit the VA to place that amount of money against what the VA owes the school if they do not report it.

These are the general provisions of the bill as far as Congress is concerned. There is one provision in this bill that will cost money.

Mr. BECKWORTH. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. BECKWORTH. I want to congratulate the gentleman on his fine explanation of the bill. The gentleman will remember that he and I have talked a number of times about certain new schools, the managers or owners of which have felt that perhaps their schools might be unduly handicapped as a result of certain rules and regulations. In my opinion these new schools in which the owners in some instances have invested sizable sums of money should not be discriminated against. Many of these owners in good faith established these schools to help our veterans. What is the situation, in the gentleman's opinion, as to the effect of this legislation upon certain new schools which came into existence recently?

Mr. TEAGUE. The gentleman has talked to me a number of times about new schools. There is no doubt there have been abuses by the schools. The State approval agencies and the Veterans' Administration both agree that there are sufficient schools and agree that there should be this 1-year requirement, that a school should exist for a year and prove itself before it accepts GI students. The only way a new school can start is by existing for a year and proving itself before it takes veteran students.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. HOLIFIELD. The gentleman spoke of the school at Nashville, Tenn., which has been in disagreement with the Veterans' Administration for 8 or 9 months. Would this bill be retroactive in allowing that school the amount that the Veterans' Administration deemed to be proper?

Mr. TEAGUE. No; the bill would not be retroactive, but there is an amendment to be offered which says that any school that has signed a contract because of that may appeal to the Appeals Board.

Mr. HOLIFIELD. Would any school that had been in existence less than a year and which was disqualified but which has now been in existence a year be allowed repayment for the tuition during the period in which they were disqualified?

Mr. TEAGUE. Not under this bill.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. PHILLIPS of California. The gentleman made the statement they would not be permitted for a year to accept GI students. He means they could take the students but they would not be reimbursed by the Government?

Mr. TEAGUE. That is right.

Mr. PHILLIPS of California. How much will the section add that the gentleman says does add money to the cost?

Mr. TEAGUE. The VA testified it would be $2,300,000. The State-approval agencies testified it would not cost that much. All they need is permission to use the personnel they now have.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Colorado.

Mr. CARROLL. On page 11, line 4, there is the following section:

The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

There was a spirited debate in the other body on this provision as to whether or not the standards, where you talk about the accepted standards, are those accepted by the State universities.

Mr. TEAGUE. Accepted by the State-approval agencies.

Mr. CARROLL. The point was raised that there was discrimination against night schools and the debate hinged around the Chicago area. I would like to have it in the record that the State sets the standards and not the various educational groups.

Mr. TEAGUE. That is correct.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. McDONOUGH. This bill comes about as a result of an order of the VA about last September?

Mr. TEAGUE. Yes; just when school started.

Mr. McDONOUGH. There was some exception taken to that and they then modified that order?

Mr. TEAGUE. Yes.

Mr. McDONOUGH. This bill is an effort to put into statue form that he would have discretion about these things?

Mr. TEAGUE. Yes.

Mr. McDONOUGH. With the adoption of this bill would it extend the authority of his discretion under regulations with reference to GI students any more than if this bill were not passed?

Mr. TEAGUE. It definitely restricts the Administrator.

Mr. McDONOUGH. In other words, the question of the cost of this bill must be given consideration insofar as the cost of any regulation that the Administrator might put into effect from here on is concerned?

Mr. TEAGUE. That is correct.

Mr. McDONOUGH. In the gentleman's opinion, will the adoption of this bill increase the cost of the balance of the GI students' program any more than if it were not adopted, and, if so, to what extent?

Mr. TEAGUE. Truthfully and very seriously I think it will lessen the cost instead of increasing the cost.

Mr. McDONOUGH. This presumed figure of $2,000,000,000 was the figure

that the balance of the GI program might cost if the bill were not passed?

Mr. TEAGUE. Yes.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Tennessee.

Mr. SUTTON. Does the gentleman's amendment carry the language found in this bill reading:

> Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph?

Mr. TEAGUE. It does not. That was discussed a few moments ago.

Mr. SUTTON. That has been left out?

Mr. TEAGUE. It has been left out.

Mr. SUTTON. Would the gentleman object to that language being put in?

Mr. TEAGUE. An amendment will be offered. The gentleman from Georgia [Mr. WHEELER] who did a lot of work on this bill objected to the language and it was taken out of the bill. I am presenting the two sides and will let the House vote on it.

Mr. SUTTON. I understand the gentleman from Tennessee [Mr. EVINS] is going to offer the amendment. I hope it will be adopted.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Texas.

Mr. LUCAS. I want to add my praise to the praise of the others for the gentleman and his fine work on this bill. It seems to me this is a very splendid piece of legislation. I note on page 3 you have listed avocational and recreational courses, but you have failed to list aviation courses. I wonder if by your failure to list it you mean they are permitted under this bill?

Mr. TEAGUE. If the gentleman will turn over to the next page he will find that it is the same wording that was in the appropriations bill.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Minnesota.

Mr. WIER. In my State we recognized the evils that were cropping up immediately following the war and the State legislature of my State passed a regulatory law. First we licensed all of these schools and then we set up the regulations under which they would operate. My question there is this: By the passage of this law, will that annul some of the regulations in a State law?

Mr. TEAGUE. No. It is up to the State approval agency to approve them. Many States have those standards, but this affects those standards in no way.

Mr. WIER. I think the gentleman ought to explain this. There is quite a controversy between the Veterans' Administration and the schools involved; I think that it ought to be clarified why the schools are so concerned about the passage of this bill against the wishes of the Veterans' Administration.

Mr. TEAGUE. If you were running a school and it came to the point of negotiating your contract, and one man down in the Veterans' Administration had authority to tell you that he would not agree, and hold up your pay for 6, 7, 8, or 9 months until you were bankrupt, and if some legislation was proposed that would force the Veterans' Administration to continue to pay you and give them a chance to appeal to an appeals board, I believe the gentleman would be for the legislation, too. That is the point where your schools come in and why they want this legislation.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, I might say in that connection that the course or practice on the part of this section of the Veterans' Administration is an attempt to do indirectly something that they will not do directly, and when they have these contracts under negotiation, that is the weapon they use.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEARNEY].

Mr. KEARNEY. Mr. Chairman, I am taking this time to explain my own personal reasons why I am against this bill. As far as the gentleman from Texas is concerned, there is no Member of the Committee on Veterans' Affairs for whom I hold a higher regard along with my colleagues who worked with him on portions of this bill, the gentleman from Georgia [Mr. WHEELER] and the gentleman from Tennessee, [Mr. EVINS]. But, I go back, my colleagues, to the 16,000 hospital bed bill, that we passed in this House some few days ago. I adopted a stand, and I intend to stick by it, that I am going to be opposed to any bill, particularly bills that come out of my own committee, when no hearings have been held on those bills. I realize of course, that H. R. 8465 will be offered as a substitute for the original S. 2596. But, along with several Members of the committee, I am in a state of confusion. The bill, S. 2596, as it passed the other body, according to the testimony, will cost approximately $2,500,000 a year. You will not find those figures in the debate on the bill in the other body, but you will find those figures in the testimony before the subcommittee of the Committee on Appropriations, of which the gentleman from Texas [Mr. THOMAS] is a member.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from Texas.

Mr. TEAGUE. There was an executive session of our committee on S. 2596. The Veterans' Administration came before our committee to state their objections to the bill. Did they mention any enormous cost at that time?

Mr. KEARNEY. I have no recollection of the figures given, if any, by any of the officials of the Veterans' Administration. I am taking this from the record of the testimony before the Committee on Appropriations, where it states:

> General Gray's figure was about $2,500,000,000 additional cost per annum, which would make a total expenditure of over $5,000,000,000 per year under S. 2596.

Mr. TEAGUE. I read the hearings last night on the GI bill and I read the statement of the gentleman from New York. There is no Member who knows more about veterans legislation or knows the Veterans' Administration better than the gentleman from New York. Does he believe that this bill would cost any sum like that? Does he believe anyone connected with it would have any intent to go along with any such cost? The gentleman from New York knows that his beliefs are almost exactly the same as mine. We have talked about this a thousand times.

Mr. KEARNEY. As long as I have been a member of that committee, which has been some 8 years, I have never found two witnesses who could agree on any particular cost. But what I am getting at is this: Let us assume for argument's sake that the cost of the Senate bill is $2,000,000,000, in round figures. As I understand, the gentleman from Texas has stated that the cost of his proposed bill will be in the neighborhood of $2,300,000. What I should like to ask the gentleman from Texas now is, Can he imagine any group of conferees getting together on differences between the sum of $2,000,000,000 and the sum of $2,000,000? It is for that reason that I am opposed to the bill and the further fact no hearings have been held before our committee. We never saw the bill until this afternoon.

Mr. TEAGUE. If I even dreamed any such amount was in this bill, I would not say one word for the bill. I would be against it.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mrs. ROGERS of Massachusetts. I believe the Senate had absolutely no idea that the cost of their bill would be $2,000,000,000. I think this is some idea the Veterans' Administration had when they claimed, I think before the Committee on Appropriations, that the expiration date would be extended, and that would bring the cost way up. Apparently there is nothing in the bill that would allow that to be extended.

Mr. KEARNEY. Only this morning there were several Veterans' Administration officials up in the Committee on Veterans' Affairs trying to determine the difference between the Senate bill and the proposed substitute. It took them over 2 hours to iron out their own differences as to what the two bills consisted of, but there was no cost given to approximate the total cost in this bill.

Mrs. ROGERS of Massachusetts. Has the gentleman ever known the Veterans' Administration to give one cost and stick to it? I have been on that committee since 1925, and I have never known them to do it.

Mr. KEARNEY. I do not think that we should lay the blame for this situation on the Veterans' Administration. This bill now is the responsibility of the House of Representatives. In the first instance, it was the responsibility of the House Committee on Veterans' Affairs.

We held no hearings on the bill. Outside of the gentleman from Texas, and one or two others, there is no member of the Committee on Veterans' Affairs that I know of that knew even the contents of the bill until they came onto the floor of the House this morning. To my mind, that is not a proper way to legislate.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. PHILLIPS of California. The gentleman will recall that I am a member of the Subcommittee on Independent Offices Appropriations which has this budget in charge. He is expressing the predicament in which we now find ourselves, whether or not the figure of $2,000,000,000 or $2,500,000,000 is right. It is a figure for a year. It is not, as the gentlewoman said, an additional figure for all time. That runs to $50,000,000,000 or more. But feeling as the gentleman does and as the gentlewoman does, that there might be some discrepancy, the subcommittee—and I know my chairman will permit me to say this instead of his saying it for himself—asked the Bureau of the Budget for, and just now we have had, a new and more accurate estimate, which still says that it could run to $2,000,000,000 a year, giving a figure as a minimum of $1,000,000,000 a year. Whether or not that is true, the feeling of the gentleman from New York, and it is mine, too, is that this is nothing we can guess at on the floor of the House of Representatives.

Mr. KEARNEY. I do not believe this is a matter the House should guess at. I think we should have approximately all the testimony on any particular bill and the figures, if any are available, presented, so that the House will know what it is doing.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield to the gentleman from New York.

Mr. KEATING. May I address this question to the gentleman from California: In mentioning these figures which the gentleman from California has given us, was he referring to the bill S. 2596?

Mr. PHILLIPS of California. Yes; that is correct. I should have made that clear. I think both the gentleman from New York and I are referring to the Senate bill.

Mr. KEARNEY. That is right.

Mr. PHILLIPS of California. But we have no information. I have been trying in a short time to read the substitute but am still unable to determine what it does as compared to the Senate bill.

Mr. KEARNEY. I yield to the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. I thank the gentleman. I notice the bill we are considering now is to be offered as an amendment to Senate bill 2596. H. R. 4665 was introduced by Mr. TEAGUE on May 10, 1950. It says "Referred to the Committee on Veterans' Affairs." May 10 was yesterday. I presume the bill was referred to the Committee on Veterans' Affairs for consideration and hearings. Now, do I understand there have been no hearings on the bill, which was introduced on May 10, 1950, and that it is a new bill which no one knows the contents of and the House here is considering a bill and proposing to offer it as an amendment to the Senate bill?

Mr. KEARNEY. The gentleman is absolutely correct.

Mr. MILLER of Nebraska. Would it not be in order to have this bill recommitted so that at least some hearings could be held on it. Surely more light should be shed on this subject before we can act intelligently on it.

Mr. KEARNEY. When the time comes, the gentleman from New York will offer the proper motion.

Mr. VORYS. Mr. Chairman, will the the gentleman yield?

Mr. KEARNEY. I yield.

Mr. VORYS. We have a report dated October 14, 1949, from the Committee on Veterans' Affairs reporting S. 2596 as having been voted out by that committee. Were there hearings on that bill?

Mr. KEARNEY. There were some in executive session, but there were no public hearings.

Mr. VORYS. Is that the bill, the cost of which is estimated at $2,000,000,000 a year?

Mr. KEARNEY. The gentleman is correct.

Mr. VORYS. Is the Committee on Veterans' Affairs sponsoring the only bill which is before the House at the present time? Are the membership generally here sponsoring the only bill on which we have a report and which is before this body? Does the gentleman know?

Mr. KEARNEY. The individual members of the committee would have to answer for themselves. I am not sponsoring the bill nor am I going to vote for it for the reason I have heretofore given.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. RANKIN. May I point out to the gentleman from Ohio that the bill, S. 2596, was reported out, as I pointed out a while ago, by a vote of 8 to 5. I was one of the five who opposed the bill, and I will oppose it now unless there are clarifying amendments adopted.

While I am on my feet, may I say to the gentleman from New York, that there has been a good deal of racketeering by these private schools, and I mean racketeering. I have here before me a letter from the Veterans' Administration in Jackson. One school there, the Southern Trades School, of Greenville, has already collected and banked $627,612.04 in excess of wholesale cost of equipment. The Magnolia Trade School collected and banked $17,707.72 in excess of cost of equipment.

One school at Biloxi, $1,513; and it goes on down. What was happening in Mississippi was happening in these private schools all over the country. For that reason I opposed the Senate bill and I shall decide what I am going to do about supporting this substitute when we have concluded considering the bill under the 5-minute rule.

Mr. KEARNEY. May I again point out to the membership, Mr. Chairman, that what I have expressed here today is not with any intention of criticizing the motives of the gentleman from Texas. He is honest and sincere and a hard-working member of our committee. I am simply opposed to the method by which the bill was brought to the floor. The contents of the bill is not under discussion by myself at this time.

Mr. MAGEE. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. MAGEE. Does not the gentleman from New York feel that it is a rather unique situation when we hear the argument of the gentleman from Texas that this will tighten the restrictions of the Veterans' Administration's regulations, instead of liberalizing them and that yet every trade school in the United States is supporting the Senate bill, and I suppose, supporting this proposed legislation?

Does the gentleman feel that the trade schools would be supporting this if they thought they would get less than they are getting now?

Mr. KEARNEY. Well, I do not know. I think the trade schools, or any other schools, should know what is in the bill. They do not know it now. We do not, or we did not before we came on the floor of this House. I am not qualified to answer for any of the trade schools. I cannot even answer for myself as far as the contents of this bill is concerned. I did not see the bill until this afternoon, and certainly feel that full and public hearings should be held on any bill costing millions of dollars.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. FLOOD. I am sure the distinguished gentleman heard our colleague from Texas [Mr. TEAGUE] and I join in his laudatory remarks of the gentleman from Texas. But the gentleman heard the gentleman from Texas [Mr. TEAGUE] tell us that he would stake not only his reputation but his life on the fact that this bill would not cost more than $2,300,000. If the gentleman from New York [Mr. KEARNEY] will weigh his love and affection for the gentleman from Texas [Mr. TEAGUE] against the lack of two or three pages of hearings, which is not unusual in this House—the Senate sends us a bill with hearings that they have held. That happens in the other body and in this body frequently. The fact that these hearings were in executive session is not unusual. All the hearings before the great Committee on Appropriations are held in executive session. But does not the gentleman think the word of the gentleman from Texas is enough?

Mr. KEARNEY. I am certainly willing to wager my affection for the gentleman from Texas provided it does not cost money.

Mr. FLOOD. More than $2,300,000.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. KEARNEY. I yield.

Mr. TEAGUE. If it were left up to the gentleman from Texas, and I had the power to do so, there would have been all the hearings on earth, but I

did not have the authority to hold hearings. That is the reason there were not any hearings. I have a resolution before the Committee on Rules asking for a complete investigation by a joint committee appointed by the Speaker, of the whole GI bill as far as education is concerned. It is very interesting to know that your private schools are for that resolution, and the Veterans' Administration is against it. I said awhile ago why the trade schools are for it, because today the Veterans' Administration is holding up contracts for 6 or 7 or 8 months, and those people are going bankrupt. That is not an honest way to do business.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEARNEY] has expired.

All the time of the gentlewoman from Massachusetts has been consumed.

The gentleman from Mississippi has 10 minutes.

Mr. RANKIN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee, a member of the committee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, I hope that I may be able to make some contribution in the consideration to this legislation, for I know the Members of the House are interested in getting information.

As far as General KEARNEY's complaint is concerned, regarding the need for additional hearings, there are a number of members on the committee who desired and wished for more hearings, but it was not possible under the circumstances to have additional hearings.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the chairman of my committee.

Mr. RANKIN. The committee had all the hearings it wanted. We had the Senate hearings, and the representative of the Veterans' Administration came before us in executive session and gave us the information we asked for.

Mr. EVINS. The gentleman is correct in that regard.

Mr. Chairman, the consideration of this bill has been made necessary by reason of the numerous regulations which have been issued by the Administrator of Veterans' Affairs affecting the veterans' educational training program authorized under the educational provisions of the GI bill of rights. It has also been made necessary by reason of the much confusion that has developed in this program and because of a number of abuses that have grown up and developed in the course of the administration of the veterans' school training program.

I want to say at the outset that I am supporting the substitute bill offered by my colleague and fellow member of the Committee on Veterans' Affairs the gentleman from Texas [Mr. TEAGUE]. The substitute measure which he has introduced, House bill 8465, is a clean bill and embraces a number of worth-while provisions designed to improve the operation of the veterans' educational and training program and to set up some standards for its operation in the interest of the veteran and the continuation of worth-while and beneficial training under the educational and training provisions of the GI bill of rights.

As we all know, when the Congress enacted the Servicemen's Readjustment Act of 1944, provision was made that veterans whose education or training had been interrupted during the war would have an entitlement to resume and continue training which was lost or interrupted during their wartime service. As indicated, in the course of the administration of this provision, there have naturally sprung up many types of schools throughout the country offering veterans training and some of them have been found to be teaching various types of courses which were not in line with the spirit and intent of the original bill—and which courses of training were not designed to lead to an occupational objective—or a course of training of such a nature that would help the veteran receive employment.

I want to emphasize here that I hold no brief for so-called fly-by-night schools—but on the other hand I do not feel that meritorious and beneficial and worthwhile veteran training should be impeded or curtailed. Because of the fact that there have been a few exceptions to the general rule the good should not be discarded. In this connection, I should like to quote from a statement made by the President in a recent report on the operation of the veterans' trade school program wherein the President, as have others, recognized the value and benefit and worthwhileness and contribution which the veterans' training program has made to the ex-servicemen of the Nation. In calling attention to the great good accomplished by the program the President said:

> The contribution which the Servicemen's Readjustment Act has made to the postwar development of the Nation's most important resource—its young men and women—is very great. It is now approximately 4 years after general demobilization. During these 4 years an overwhelming proportion of all veterans have completed their readjustment or moved far in that direction. For the great majority of those who have made use of education and training provisions of the Servicemen's Readjustment Act the law has been of real and lasting service.

I prefer to emphasize the positive, rather than the negative aspects of the program. Yet, as the gentleman from Texas has said, one of the reasons why this bill has been made necessary and is before the Committee today is due to the fact that there have been some abuses and the Administrator of Veterans' Affairs issued during September of last year a most far-reaching regulation which adversely affected the entire veterans' training program. This regulation—now infamous—was known as regulation 1–A. The effective date of the regulation was September 12, 1949, and announcement of the regulation was not made until September 15—3 days after it went into effect. Following the issuance of this regulation, a wave of protest resulted—brought about by veterans, veterans' organizations, educators, and the operators of veterans' trade and training schools. By reason of the protests the effective date of the regulation was postponed until November 1, 1949. The regulation would have, in effect, accomplished the following results:

First. All certificates of entitlement for a veteran to take a course of education or training would have been canceled.

Second. The regulation required the making of new applications for certificate of entitlement even though the veteran was already pursuing approved courses of training.

Third. The regulation would have required the making of application for supplemental certificates when the veteran desired to transfer to another course of training—and the failure to file such supplemental application would have resulted in a loss of credit to the veteran or curtailment of aid in tuition payments and authorized subsistence allowances.

Fourth. The regulation required the filing of affidavits and other supporting documents showing complete justification to the satisfaction of the Veterans' Administration before a course of training could be approved.

This regulation with these provisions was most arbitrary and far reaching and went beyond the scope of authority of the Administrator of Veterans' Affairs. As indicated, following the issuance of this regulation and the protests which resulted, the Committee on Veterans' Affairs, in a closed session, called General Gray before the committee and made known to him the intent of the committee and of the Congress in the passage of the GI bill and amendments thereto. At this meeting, General Gray admitted that the regulation had gone too far and he promised the committee that he would rescind the regulation and that no more similar regulations would be issued until he had had an opportunity to report to the Congress. He did rescind regulation 1–A and later promulgated regulation 1–B as a substitute. Regulation 1-B has been in effect for the past several months and the number of complaints arising under this regulation has been few and limited. However, the Committee on Veterans' Affairs has felt, and necessarily so, that permanent legislation should be enacted to set up standards by which the Administrator of Veterans' Affairs may be guided in the conduct and the administration of the veterans' training program and this bill is designed to accomplish that purpose.

S. 2596—the bill for which the present measure is substituted—passed the Senate during the previous session of the Congress and contains largely three general provisions or sections.

Section 1 generally prohibits the Administrator of Veterans' Affairs from the issuance of further regulations or instructions which are designed to deny to any eligible veteran his right to select a course of training which he desires during the period of his entitlement, with a general proviso excepting various types of courses which are enumerated and set out in the act which are declared

to be avocational and recreational in character and which types of training do not lead to a job objective. In other words, under title 1, the Administrator is prohibited from issuing a regulation which would prohibit a veteran from taking a course of training to which he is entitled provided that course is a legitimate and beneficial one and such a course as would ultimately serve to lead to a job or occupational objective. Under the provision, veterans are prohibited from taking a course of training of avocational or recreational character, such as dancing, courses in horseback riding, photography, bartending, sports, and other types of a recreational character.

Section 2 of the bill sets up a method of determining tuition fees or costs to be paid to schools authorizing approved types of veteran training. In the course of this program, it is developed that many schools have a customary cost of tuition, whereas others have no set standard of customary charges, and this section of the bill is designed to make uniform and to set up standards for the various schools operating under the program. This section provides for a Veterans' Education Appeals Board to hear and determine disputes and complaints arising as a result of tuition charges and tuition payments under the program. This section of the bill is already in the law. It is a provision which has been written into the independent offices appropriation bill as a rider on the Veterans' Administration appropriation and unless this legislation is enacted it will be necessary, from year to year, to continually repeat the reenactment of this feature of the bill. I say to you that the proper way to proceed is to enact legislation as an amendment to the GI bill as permanent legislation rather than continually, from year to year, repeating the enactment of the same legislation as a rider on the appropriation bill.

Section 3 of the bill sets up new standards for the improved operation of the trade-school program. In a recent report issued by the Administrator of Veterans' Affairs on the education and training program, General Gray, together with the former Director of the Budget, Mr. Frank Pace, and the President, have recommended to the Congress a set of eight recommendations to improve the program and to set up better standards for its operation—in the interest of cracking down on so-called fly-by-night schools—putting business practices in the operation of the program, as well as providing Government economy.

A number of these recommendations have been carefully studied by many of the members of the committee, as well as veterans themselves and proprietors of legitimate veteran trade schools. These proposed standards have been enumerated to you and are set forth in the third major portion of the bill—section 6 of the substitute measure.

Thus, we have here a bill with three principal sections. In summary they are: First, to prohibit the Administrator of Veterans' Affairs from further arbitrary action which would deny the veteran taking meritorious and beneficial courses of training except certain specific avocational and recreational courses enumerated in the bill; second, the section providing for the establishment of a Veterans' Education Appeals Board to settle complaints regarding tuition charges and tuition payments; and, third, the section containing other standards for operation of the veterans' schools as recommended by the Administrator of Veterans' Affairs and the President, and approved by the proprietors of a number of legitimate veteran trade schools themselves.

THIS IS NOT A MONEY BILL

Contrary to the statements of many persons and numerous reports in the press, this is not a money bill. This bill is designed to set up regulations and will, in effect, bring about desirable economies in the operation of the trade-school program, while insuring to the veteran that he shall continue to be entitled to take his full legitimate and beneficial course of training. We have heard many wild statements as to what this bill would cost. Instead of the bill costing huge sums, as its opponents say, the failure to enact this bill or a similar measure will mean that greater costs will be incurred. We should enact this measure as an amendment to the GI bill rather than annually and continually adopting riders on the Veterans' Administration appropriation bill. The correct and desirable way to legislate is to amend the basic law and not annually to write riders on the appropriation bill. The latter method is improper and usurps the functions of the legislative committee. The Appropriations Committee should not usurp, or be permitted to usurp, the functions of the regular legislative committee—the Committee on Veterans' Affairs in this instance. As indicated, this bill does not deal with the expenditure of money, but only with regulations and procedure in the conduct of veterans' training schools.

As I have heretofore indicated, I hold no brief for so-called fly-by-night schools—the abuses which have been practiced should not be condoned—but on the other hand the Veterans' Administrator should not be permitted unrestricted license to continue to issue regulations which are arbitrary and unwarranted and not in conformance with the intent of the Congress—regulations designed to deny to veterans their rightful entitlement to pursue legitimate and beneficial types of training.

I want to say that since the issuance of the famous or infamous regulation 1–A in September of last year that I have talked with a great many veterans and officials of veterans' training schools and none have voiced any objection to the adoption of reasonable and proper standards for the operation of the veterans' training school program. The majority of the provisions and standards here prescribed are already in existing law or embraced within the provisions of regulation 1–B, now in operation. This measure would enact this regulation and existing legislative appropriation rider into permanent law as an amendment to the GI bill.

As indicated, the veterans and legitimate veterans' trade schools do not object to these minimum standards—and the veterans and the proprietors of the schools themselves are advocating the enactment of this legislation—they want this legislation to insure that there will be no further issuance of unwarranted regulations going beyond the scope of these specifications.

To repeat, under the terms of this bill beneficial and meritorious types of training will be continued and I believe that the Congress should set standards to guide the Veterans' Administrator, clearly defining his authority in the administration of the Veterans' education and training program.

The moneys which have been invested by the Government in training our veterans shall be returned many fold as the effects of time and application bear fruit in this generation and those to come. This program has been one of the few self-liquidating investments the Government has been able to make for its citizens. The education of our veterans is unquestionably an investment the benefits and ramifications of which will be realized in the future, not only in terms of money but in terms of higher standards of living, security, and greater strength in the Nation.

Mr. Chairman, under unanimous consent to revise and extend my remarks, I include copies of two letters in connection with my remarks in support of the pending legislation:

NATIONAL ASSOCIATION
OF PRIVATE SCHOOLS,
Washington, D. C., February 7, 1950.

Subject: Members of Congress are fully justified in voting for Senate bill 2596.

HON. JOE L. EVINS,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN EVINS: Congress intended all veterans to have the opportunity to recover for themselves and their families the position which they sacrificed in entering the armed services. The intent of Congress was clear. It was also clear that Congress did not intend to have that purpose varied by administrative decree.

Many thousands of veterans are vitally interested in obtaining jobs and employment opportunities which will assure them a good living. Most of these veterans are not interested in so-called higher learning and have, therefore, chosen vocational schools in which to learn a trade or vocation and thereby obtain the maximum of job opportunity in the field of gainful employment as provided in the GI bill.

The Veterans' Administration has been prejudiced against private vocational schools since the beginning of this educational program and, because of the possible abuses by 3 percent of the training institutions so engaged, has attempted to malign the entire program and cut down the benefits which the veterans were promised and are entitled to receive.

On various occasions we have constantly sought to improve the relationship between the Veterans' Administration and the training institutions, but to no avail. The treatment accorded American citizens by representatives of the Veterans' Administration has been shocking and disgraceful. The contemptible methods used in many areas by Veterans' Administration representatives are, indeed, reprehensible.

On August 24, 1949, Congress enacted Public Law 266 following which the Veterans' Administration, with complete disregard for the

intent of that legislation, put into effect so-called Instruction I-A. As a result of that arrogance and the bitter acrimony which developed before the Senate Labor and Public Welfare Committee, S. 2596 was passed by the Senate and the Veterans' Administration was forced to withdraw Instruction I-A. In its place, they issued Instruction I-B, which is administered as though Instruction I-A had never been withdrawn.

S. 2596 attempts to clarify and define the relationship which should exist between the veterans, the training institutions, and the Veterans' Administration. It affords an effective right of appeal from arbitrary decisions with regard to customary tuition rates and, in justified instances, gives the training institution recourse to review by the courts.

It would also place reasonable limitations upon the Administrator's power to issue arbitrary and unreasonable regulations or administrative decrees. The attitude of Veterans' Administration officials has been that no one can stop them; and their contention has been upheld by recent court decisions, which have made the Veterans' Administration a haven of arrogance.

Unless Congress asserts itself and reaffirms its intention to train veterans as congress first wanted them trained, the Veterans' Administration will totally cripple the national program of vocational training.

This association is aware that there may be certain shortcomings in the field of vocational education and we attribute this to the sudden expansion necessary to meet the demands of the veterans' training program. The recent Veterans' Administration report to the Senate cites approximately 250 instances of alleged abuses on the part of various schools. We contend that these instances are the exception and not the rule. We further contend that the instances cited by the Veterans' Administration are substantially all the cases they could assemble and are cumulative over the 4-year period in which the veterans' training program has been in operation. In their entirety, they comprise less than 3 percent of all the private trade schools engaged in the veterans' training program.

We believe that the relations which now prevail between the Veterans' Administration and the private schools are in need of improvement. We believe that the provisions of S. 2596 will meet the needs of that situation and should eliminate a great many of the difficulties. We sincerely recommend favorable action when that legislation comes up for a vote.

Sincerely yours,

JAMES P. PARKER,
Washington Counsel.

AERONAUTICAL TRAINING SOCIETY,
Washington, D. C., April 3, 1950.

HON. JOE L. EVINS,
House Office Building,
Washington, D. C.

DEAR MR. EVINS: One of the provisions of H. R. 7422, the Wheeler bill, which has caused considerable concern to veterans attending trade schools including aviation schools is that beginning on line 14, page 13, which states:

"For the purposes of this part a course provided by a school for training in a skilled or semiskilled occupation which is customarily learned through apprenticeships or other training on the job shall be considered a full-time course when a minimum of 36 hours per week of attendance is required."

The concern is based upon the fact that the veteran attending a trade school to be regarded as taking a full-time course would be required to be in attendance at such a school up to three times as many hours as he would were he attending an accredited institution of higher learning. In substance H. R. 7422 suggests that if a GI is going to study to be an economist, business administrator, advertising man, or any other subject in an academic institution that 12 hours of class work is enough, if that is what the institution in question establishes as a minimum. If, however, a man is going to be a radio technician, a television expert, a watchmaker, an airline pilot or mechanic and is studying in a proprietary school, he should be required to put at least 36 hours a week in class. Up to now VA has considered 25 hours full time instruction in both private trade schools and public vocational schools including aviation schools.

The following table gives comparisons of the minimum hours of classroom attendance required by VA of veterans attending various types of courses in tax supported or private (proprietary) institutions:

Type of school	Present VA minimum requirement in hours for full course	Increase proposed by H. R. 7422
		Hours
For an accredited 4-year or junior college operating on unit of credit plan (under theory of 2 hours of outside work for each hour academic instruction)	12	None
For an accredited 4-year or junior college which has trade school offering course credits of which are transferable to State university	12	None
For an accredited 4-year or junior college which has trade or vocational school offering courses, credits of which are not transferable to State university or other accredited schools	25	None
For vocational and technical high schools or trade and industrial schools	25	None
For proprietary schools offering courses "for training in skilled or semiskilled occupation which is customarily learned through apprenticeships or training on the job"	25	36
For other types of private and proprietary vocational schools operating on clock-hour basis	25	None

While the above covers the principal classifications of schools presently doing training under the GI bill, A. L. Combes, Director of Education and Training Service of VA, informs me that in some cases based on individual investigation of the facts, unaccredited departments or schools of accredited academic institutions are permitted to operate under the semester credit hour basis, i. e., whatever the institutions require but in no case less than 12 hours of instruction a week. Information provided by the United States Office of Education indicates that both accredited academic institutions and vocational schools customarily offer more hours of instruction than the VA minimums. Most colleges and junior colleges require 15 or 16 hours of classroom attendance weekly in academic courses.

Students in most academic institutions are supposed to do 2 hours of outside study for every hour of attendance and those in technical schools are supposed to do 1 to 2 hours of outside work for every classroom hour. Outside work for trade schools varies widely because such a course as cobbling may require little or no outside study, while preparing for building electrical or textile trades demands considerable.

It should be remembered that there is no way VA can be sure that students devote 2 hours of outside study or any other for every hour in class in an academic institution or any other kind unless the institution sets up a cumbersome, expensive, and in most cases impossible system of supervised study. Policing extent of outside study is impossible in most institutions. In light of the facts, there appears to be no sound reason why VA should require a GI, who aspires to be a mechanic or technician, to be in class 36 hours a week while a boy who is headed for a Ph. D. or one of the professions need only put in 12.

For this reason, it appears that because of this and other burdensome and needless requirements, H. R. 7422 should be rejected.

Thanks for your fine leadership on matters dealing with the veteran and his rights.

Cordially yours,

WAYNE WIESHAAR,
Secretary.

Mr. RANKIN. Mr. Chairman, I yield 4 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I wish to congratulate the gentleman from Texas on the comprehensive report to the House concerning this bill, and wish to thank the chairman of the committee for the time he has given me.

To me this bill just puts into law some of the regulations of the Veterans' Administration that have been in effect for a long time. Most of the schools are for this bill for the reason that the Veterans' Administration has been arbitrarily interpreting some of the regulations to the detriment of the schools, holding up contracts sometimes 3, 4, 5, 6, or 7 months. Just 2 or 3 days ago I received notice from a school in my district that they had their contract confirmed and had received their back pay which had been held up for about 6 months. They had about decided to quit giving training to veterans unless something was done about the situation. This is one condition I know about personally.

There is a lot of dissension, too, in my State about flight training and something will have to be done to correct this situation. Veterans have a hard time getting in a flight-training school at all. One of the approval agencies has approved one student for commercial pilot training last August. That is the information given to me. Several have applied but no one seems to be able to get in.

I think it is time we put into law some of these regulations. We are all elected by our people to come here and make laws for the best interests of our State and Nation. I want to accept that responsibility and not turn it over to some agency downtown to arbitrarily assume this power, hold up contracts, and retard training for veterans.

With reference to the arguments made by the gentleman from New York as to the cost of the bill, I understand from the gentleman from Texas that he recently asked the Veterans' Administration the cost of the bill and they said $2,500,000. Am I correct about that?

Mr. TEAGUE. The VA stated that the reason this bill would cost any money was because it does away with the expiration date. I asked them to write an amendment which would correct that and that will be offered.

Mr. STAGGERS. I think that clarifies that issue. All this absurd talk about $2,000,000,000 has nothing to do with this matter. He said that is the latest information they have given to him. The reason the Veterans' Admin-

istration is against this is because it wants this power to arbitrarily do as it pleases. I have been trying to get things done for veterans in my district and in my State and every time I call on one of these bureaus down here they give me some run-around or whitewash on the question. I am getting tired of them telling Congress what to do. I do think the Members should think about this situation somewhat. This bill is for the veterans and it is going to help them. Of course, it is not going to hamper General Gray and his Administration; on the other hand, it should prove quite helpful.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I gather from the gentleman's remarks, which are in line with my own experience, that he has finally discovered it does not make much difference what laws the Congress passes, the administrators determine them as they want to?

Mr. STAGGERS. I am only a freshman Member of Congress, but I have run into those circumstances several times. I think it is high time that the Congress assume its responsibility.

We were elected by the people to take care of veterans as well as to make laws for the Nation. I want to see something done about this because I am getting complaints all the time from veterans in my district that they are not being properly taken care of. This bill should go through so that they will know exactly where they stand and so that they can say to the Veterans' Administration that they have certain rights and privileges granted to them by Congress.

The CHAIRMAN. All time has expired for general debate. The Clerk will read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 9 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: *"Provided,* That the Administrator is not authorized to promulgate any regulation or instruction which denies or is designed to deny to any eligible person, or limit any eligible person in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

"A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in (a) any public school or other tax-supported school, or (b) any branch within the same county or within a radius of 25 miles of a parent institution which parent institution has been in operation for a period of more than 1 year, or any course given by an institution which has been in operation for a period of more than 1 year which does not completely depart from the whole character of the instruction previously given by such institution. Upon the certification of any State approval agency that a new institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph;

"B. That in accordance with the provisions of paragraph 3 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

"C. That the Administrator may require consultation by the veteran in case he has discontinued any course of education or training before completing the same, or in any case in which the veteran after completing a course of education or training decides to take another course in an entirely different general field, but after such consultation the Administrator shall have no right to refuse approval to a different course or an additional course in the same or any other field, except as limited by paragraph D below;

"D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses; photography courses; glider courses; bartending courses; personality-development courses; entertainment courses; music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education, or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood."

With the following committee amendment:

Page 3, line 14, strike out "or any other" and insert: "general."

The committee amendment was agreed to.

Mr. TEAGUE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: Strike out all after the enacting clause of the bill S. 2596 and insert "That paragraph 9 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: *'Provided,* That, except as provided in the amendment, no regulation or other purported construction of title II, as amended, shall be deemed consistent therewith which denies or is designed to deny any eligible person, or limit any eligible person in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

" 'A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in any public school or other tax-supported school;

" 'B. That in accordance with the provisions of paragraph 3 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

" 'C. That if any eligible veteran, who has completed or discontinued (for any reason other than unsatisfactory conduct or progress) a course of education or training, applies for an additional course in the same or other field of education or training, the Administrator may deny initiation of such course only if he finds (1) that it is precluded by the first proviso, paragraph 1 of said title II, as amended, or (2) that it is not in the same general field as his original educational or occupational objective, or (3) that it is precluded by limitation of paragraph "D" below;

" 'D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses, photography courses; glider courses; bartending courses; personality-development courses; entertainment courses: music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreation when a certificate in the form of an affidavit supported by corroborating affidavits by two

competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood.'

"SEC. 2. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof a new subparagraph (d) as follows:

"'(d) As used in this part, the term "customary cost of tuition" or "customary charges" or "customary tuition charges" shall mean that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"'(A) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

"'(B) One of the following conditions prevails:

"'1. The institution has been established subsequent to June 22, 1944.

"'2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

"'3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"'4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944.

"'For any course of education or training for which the educational or training institution involved has no customary cost of tuition, a fair and reasonable rate of payment for tuition, fees, or other charges for such course shall be determined by the administrator. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinbefore set forth. For the purpose of the preceding sentence "contract" shall include contracts under Public Law 16 (78th Cong., Mar. 24, 1943), Public Law 346 (78th Cong., June 22, 1944), and any other agreement in writing on the basis of which tuition payments have been made from the Treasury of the United States. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph, or with any other action of the Administrator under the amendments made by the Veterans' Education and Training Amendments of 1949, shall be entitled, upon application therefor, to a review of such determination or action (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the "Veterans' Education Appeals Board" consisting of three members, appointed by the President. Members of the Board shall receive, out of appropriations available for administrative expenses of the Veterans' Administration, compensation at the rate of $50 for each day actually spent by them in the work of the Board, together with necessary travel and subsistence expenses. The Administrator of Veterans' Affairs shall provide for the Board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. Such Board shall be subject, in respect to hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such Board with respect to all matters shall constitute the final administrative determination. In no event shall the Board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended.

"'Any institution having a "customary cost of tuition" established under this part may revise and improve an existing course (or establish a new related course) of substantially the same length and character subject to the same customary cost of tuition: *Provided*, That nothing in the foregoing amendments shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of the Veterans' Education and Training Amendments of 1949, or to affect payments to educational or training institutions under contracts in effect on such date: *Provided further*, That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be "fair and reasonable" during negotiations for a contract, and, during the pendency of any appeal which the school may make.'

"SEC. 4. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is further amended by inserting before the period at the end thereof a colon and the following: '*And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, any institution shall be regarded as a nonprofit institution if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944.'

"SEC. 5. The third sentence of section 3 of Public Law No. 16, Seventy-eighth Congress, as amended, is hereby amended by adding before the period at the end thereof a comma and the following: '(4) rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of part VIII of such regulation and in the supervision of such institutions.'

"SEC. 6. That paragraph 11 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof the following new subparagraph.

"'(e) 1. Any school operated for profit in order to secure or retain approval to train veterans which, during any period, has fewer than 25 students, or one-fourth of the students enrolled (whichever is larger), paying their own tuition, in addition to meeting all requirements of existing law, will be required to submit to the appropriate State approving agency a written application setting forth the course or courses of training. The written application covering each course must include the following:

"'a. Title of the course and specific description of the objective for which given.

"'b. Length of course.

"'c. A detailed curriculum showing subjects taught, type of work or skills to be learned, and approximate length of time to be spent on each.

"'d. A showing of educational and experience qualifications of the instructors.

"'e. A description of space, facilities, and equipment used for the course.

"'f. A statement of the maximum number of students proposed to be trained in the course at one time.

"'g. A statement of the educational prerequisite for such a course.

"'2. The appropriate approving agency of the State or the Administrator may approve the application of such school when the school is found upon investigation to have met the following criteria:

"'a. The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

"'b. There is in the school adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training. When approval is given, it shall state the maximum number authorized to be trained in each course.

"'c. Educational and experience qualifications of the instructor are adequate as determined by the State approval agency.

"'d. The salaries of teacher and administrative personnel are comparable to the prevailing salary rates of teachers and administrative personnel in similar schools located in the same area.

"'e. Adequate records are kept to show attendance, progress, and conduct, with periodic report to be provided to the Veterans' Administration; there are clearly stated and enforced standards of attendance, progress, and conduct.

"'f. Appropriate credit is given for previous training or experience, with training period shortened proportionately. No course of training will be considered bona fide if given to a veteran who is already qualified by training and experience for the course objective.

"'g. A copy of curriculum as approved is provided to the veteran and the Veterans' Administration by the school.

"'h. Upon completion of the training, the veteran is given a certificate by the school indicating the approved course, title, and length, and that the training was completed satisfactorily.

"'3. No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

"'4. The Veterans' Administration is not authorized to award benefits under this part if it is found by the appropriate State approving agency that the course offered by a school operated for profit fails to meet the applicable requirements of this subparagraph (e).'

"SEC. 7. Paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, is hereby amended to insert '(a)' immediately after '6,' and adding the following new subparagraph:

"'(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or class-room instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required.'

"SEC. 8. Paragraph 5 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by inserting '(a)' immediately after '5', and adding a new subparagraph (b) as follows:

"'(b) In any case where it is found that an overpayment to a veteran of subsistence

allowance (which overpayment has not been recovered or waived) is proved in a hearing before the Committee on Waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuance or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an off-set from amounts otherwise due the school or in other appropriate action, provided that any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute.'

"SEC. 9. This act shall be effective the date of approval except as hereinafter provided: *Provided*, That section 7 shall be effective the first day of the third calendar month following the date of approval of this act: *Provided further*, That the provisions of section 5 shall be applied at the earliest practicable time in accordance with regulations issued by the Administrator.

"SEC. 10. The matter beginning with the first proviso in the item 'Readjustment benefits' under the caption 'Veterans' Administration' in the Independent Offices Appropriation Act, 1950, approved August 24, 1949, is hereby repealed, effective August 24, 1949.

"SEC. 11. This act may be cited as the 'Veterans' Education and Training Amendments of 1949.'"

Mr. TEAGUE (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with and that it be open for amendment at any point thereof.

Mr. RANKIN. Mr. Chairman, I think the amendment ought to be read very carefully because even the average member of the Committee on Veterans' Affairs has never seen it. Consequently, Mr. Chairman, I object.

The Clerk concluded the reading of the amendment.

The CHAIRMAN. The gentleman from Texas is recognized in support of the amendment.

Mr. TEAGUE. Mr. Chairman, I would like to take this time to yield to Members who have questions to ask.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. CUNNINGHAM. I would like to have the gentleman answer this question. If I understand it, there was some racketeering in certain trade schools. The Veterans' Administration some time ago issued a ruling to curb this racketeering and to protect the veterans as well as the Government from this racketeering in those trade schools; and in the issuance of this rule it went so far that it interfered with the legitimate rights of legitimate trade schools and thereby injured the veterans in the school that had signed up to conduct that legitimate trade school. The substitute amendment offered by the gentleman from Texas [Mr. TEAGUE] will simply correct that, but will still protect the veteran from the racketeering trade school and protect the Government from the racketeering trade school, and will secure administration for the legitimate school. Is that correct?

Mr. TEAGUE. The Veterans' Administration admitted that they went too far in regulation 1 (a). They issued 1 (b), and practically everything that is in 1 (b) is in this bill. This bill does not in any way liberalize the GI bill. The same curbs that the Committee on Appropriations has put on fly-by-night schools are in this bill, making them permanent law instead of legislation on an appropriation bill, or instead of a regulation by the Veterans' Administration.

Mr. CUNNINGHAM. As I understand the gentleman's bill, then, it is for the benefit of the veteran, for the benefit of the Veterans' Administration, for the protection of the Government, and the protection of the veteran.

Mr. TEAGUE. The gentleman is correct.

Mr. CUNNINGHAM. And also to protect the good, legitimate trade schools that have been put on the approved list by the proper authorities in the various States?

Mr. TEAGUE. That is correct.

Mr. CUNNINGHAM. One further question. I understand that an amendment will be offered to the substitute amendment which has already been offered, and when that amendment is adopted it will guarantee that the additional cost to the Government will not exceed $2,300,000.

Mr. TEAGUE. I certainly will support that amendment.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. PHILLIPS of California. The only change in the printed bill is the elimination of section 3, beginning on page 8, and changing "1950" on page 14, and renumbering of the printed bill.

Mr. TEAGUE. That is correct.

Mr. PHILLIPS of California. I have several questions in which I would like to suggest there are other changes, but I will do it on my own time and not take up the gentleman's time.

However, I would like to ask this one question. Is it not a fact that on page 6, beginning with line 19, and on down, are we not for the first time creating an appeals board outside of the agency, for something which occurs in the agency. Therefore, is that not a matter of policy which perhaps should have more consideration than we have given this afternoon. I do not want to take the gentleman's time for I should take my own time to discuss that.

Mr. TEAGUE. The appropriation bill No. 266 provides a Veterans' Appeals Board appointed by the Administrator. This bill makes the same Board except that it is appointed by the President of the United States, with the belief that the Administrator of Veterans' Affairs should not be judge and prosecutor at the same time.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. TEAGUE. I yield.

Mr. DONDERO. Does the gentleman's substitute bill fix a definite date for the termination of this program?

Mr. TEAGUE. I may say that it does not change the existing law which states that a man must be in training on July 1, 1951, and out by 1956, the very bill you people wrote 6 years ago. This bill does not change this in any way, form, or fashion.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. WHITTINGTON. Do we understand that you yourself are going to offer an amendment to substitute the provisions of this bill to provide that the cost shall not exceed $2,000,000, or substantially that amount?

Mr. TEAGUE. I would be very happy to offer the amendment. I do not have it prepared, but I would offer it and support it.

Mr. WHITTINGTON. I think the committee ought to understand this point definitely. I had understood that the gentleman was fostering such an amendment and would offer it.

Mr. TEAGUE. I have not drawn it, but I would be willing to.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. MICHENER. Some of us are much concerned about what this will cost. Here is a situation where some members of the committee say this bill will cost $2,000,000,000 plus; other members of the committee, including the gentleman from Texas, say the bill will cost $2,000,000 plus; our distinguished friend, the gentleman from Texas, who now occupies the floor, as I understood would stake his reputation and his life on the fact that the cost would not exceed $2,000,000.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MARTIN of Massachusetts. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MICHENER. The gentleman from Texas [Mr. TEAGUE] is a valuable Member here, and we all like him. We who have been here longer would not stake our life on a proposition like that. If this bill as written can be administered for $2,000,000 it is the cheapest piece of legislation ever to come from the Veterans' Committee. I do not want the gentleman from Texas to find himself asking for execution.

I do want to condemn the committee for bringing in a bill under these circumstances. I want to go along. I like these regulations. You have practically put into writing, with improvements, what they have been doing down there. It is a good thing. But in these days of economy, personally, I doubt the wisdom of turning over to the Bureau unlimited authority without having more information about cost.

Mr. TEAGUE. I may say to the former chairman of the Committee on the Judiciary that if he will help me write this amendment that will limit the cost to $2,000,000 I will introduce it and support it.

Mr. MICHENER. I have written some of them, but the gentleman is very capable, and I am sure he can do a better job than can the gentleman from Michigan.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield.

Mr. RANKIN. As was explained in the beginning, this Senate bill was reported out of the committee by a vote of 8 to 5

Mr. TEAGUE. We are not talking about the Senate bill now, but about the amendment.

Mr. RANKIN. I understood that the bill the gentleman from Texas is offering as an amendment is entirely different.

Mr. TEAGUE. The gentleman is correct.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Chairman, I am advised that the gentleman from Texas is at heart a poet. I think we recognize poetic license when we see it with reference to any rigid figure in this or any other bill. I just talked on the telephone to a Mr. Stirling, Dr. Stirling, at the Veterans' Administration. He is the high muckety-muck down at VA with reference to this kind of legislation. Further, the distinguished gentleman from New York [Mr. KEARNEY] raised this question of $2,000,000,000 versus $2,000,000. Even as a member of the Committee on Appropriations I could recognize that discrepancy.

Dr. Stirling has assured me, and I told him I was going on down to assure the gentleman, that the Veterans' Administration, including Dr. Stirling, no longer is concerned with the figure of $2,000,000,000 with reference to this act. They recognize that that is no longer in issue. Their minds are at ease. I have permission to assure you there is only the question of the $2,000,000,000 with reference to a terminal date. The Veterans' Administration is satisfied. I cannot take his name in vain, but in a conversation in the last few minutes with the gentleman from New York, I believe he understands the situation as well, that the $2,000,000,000 is no longer before this committee with reference to this piece of legislation. There is only the figure of $2,300,000 which I think we will permit a judicial amount of elasticity with insofar as the long career of the gentleman from Texas in this House is concerned.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from California.

Mr. PHILLIPS of California. May I ask the gentleman from Pennsylvania a question? Did Mr. Stirling also say that the Veterans' Administration would feel that the substitution of the paragraph in H. R. 7380 for the paragraph on page 13 would be a preferable paragraph technically and would also save $200,000,000?

Mr. TEAGUE. Which paragraph on page 13?

Mr. PHILLIPS of California. Beginning with line 3, subparagraph (b). Apparently it is a paragraph which I have not been able to look up in H. R. 7830. He may understand what that is.

Mr. FLOOD. My answer to the first question is "no," Dr. Stirling did not so state. Although I mentioned that point to him, I indicated that the gentleman from Texas [Mr. TEAGUE] had explained in his original statement on the bill that problem which concerns the gentleman from California and he satisfied me because I was likewise concerned about it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PHILLIPS of California. Mr. Chairman, I move to strike out the requisite number of words and I yield to the gentleman from Texas.

Mr. TEAGUE. The point brought out by the gentleman from California is a very important one. The President in his message on February 13 recommended that all VA schools giving trade or technical courses be on a 36-hour basis. There is no doubt that would save a lot of money because it would drive practically all of your schools out of business. For example, in Louisiana all schools are based on 25 hours. In a conference between a representative of the Private Trade School Association and the Private Trade School Federation they said they did not like this language either. They say this language goes too far but it is a compromise with which they said they could live without destroying the schools. Does that answer the question?

Mr. PHILLIPS of California. Yes, I understand the intent of the section.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from New York.

Mr. KEATING. Was that the section, the section now numbered 6, which the gentleman from Texas said was the only one that in his judgment would cost any money? That is the section which in the opinion of the gentleman from Texas is the only one which he thinks will increase the expense?

Mr. TEAGUE. No, that would not increase the expenses.

Mr. PHILLIPS of California. Mr. Chairman, I ask unanimous consent to proceed for three additonal minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TEAGUE. On page 9, line 15 through 22, there is the section that the VA said will cost $2,300,000.

Mr. KEATING. That in the opinion of the gentleman from Texas is the only section which will result in additional cost by the enactment of this bill?

Mr. TEAGUE. That is correct.

Mr. PHILLIPS of California. If the gentleman from Texas will permit me to make a preliminary statement, then I have other questions. I want to say, Mr. Chairman, that it wil be clear to the House the difficulties in which this bill is placing a good many of us. I am a veterans; my father was a veteran of the War Between the States; and five members of my immediate family are veterans of World War II. Obviously my record has been one of support and friendship for all of the needs of the veterans and the benefits which we extend to them and which will not react eventually against the veteran.

Before the Subcommittee on Independent Offices, it was testified, regarding the probable cost of the original bill—and I think we should all understand, as the gentleman from Texas has said, that no one here thinks that the present bill, which will be referred to as the Teague bill, H. R. 8465, will cost anything like $2,000,000,000 or more. There was testimony that it would cost some money, and we would like to know how much, and also we would like to know some of the details of the expansion of the right to take courses. Only about 19 percent of the veterans are finishing the courses they take. The subcommittee on which I serve does not think that that is good for the veteran, just as we think that anything we can do to permit the veteran to get an education is what we should do. I supported the liberalization of the GI bill from the beginning. I felt that veterans should be permitted to take flight courses, because I wish everybody in the United States would become air-minded as some foreign countries have made their people air-minded. Yet, there was definite evidence that as soon as the 52–20 Club, as it was familiarly known, ceased, there was an immediate increase in the number of students who entered the vocational training courses.

The gentleman from Texas and I both are working toward the same objective, and that is to give education to the veterans where it will do some good. It has been testified that the cost involved in the right of the veterans to courses they may or may not take could go as high as thirty or forty or fifty or sixty billion dollars. That is a total figure. I am convinced we should, in some way, make it clear that we want the veterans to take courses, but that we do not want to liberalize the GI bill in the sense that a vocational course is to be used as a substitute for unemployment compensation.

Now, taking H. R. 8465, the paragraph at the beginning of page 2. Like all of you, I am trying to read it very hastily and come to some conclusion as to what it means, beginning with paragraph C. It seems to me to prevent the closing date for vocational courses and it seems to me that we have that now. Why is it necessary in this bill?

Mr. TEAGUE. Mr. Chairman, if the gentleman will yield, this is writing it into permanent law, and today that is part of your appropriation amendment. This says that a man may change courses in the same general field. That was to keep men from, as the gentleman says, using vocational training for unemployment insurance, or taking first a barbering course, then a tailoring course, and then a cooking course.

Mr. PHILLIPS of California. If they want to do that now, they can. The only restriction we have placed upon them is that they must go to a vocational ad-

viser under the VA and explain they want it changed, but that they cannot change from barbering to meat cutting or flight training because they do not like the course. The record shows that one out of five of the veterans finish a course that they have started since the GI bill went into effect, and that is not good for the veteran's morale nor his character.

Now turn to page 6, please, and tell me why, beginning with line 9 and going down to line 15, it does not freeze in a necessity of having these contracts at the higher cost, even though they have been renegotiated by the Veterans' Administration satisfactorily to the school and the Veterans' Administration; why that would not require us to continue to pay out at the higher previous rate.

Mr. TEAGUE. The Subcommittee on Appropriations set up a Veterans' Appeals Board. If you were running a school and you had two contracts with the Veterans' Administration, the last contract that you had would be considered the customary cost. If the Veterans' Administration came along and said it should be reduced, you either have to take the reduction or take it to the Appeals Board, and the Appeals Board would decide what your contract should be.

Mr. PHILLIPS of California. As I understand it, even though they were satisfied with the cost, they would have to return to the preceding higher cost.

Mr. TEAGUE. It would be the customary cost at that time. If the Veterans' Administration disagrees, it goes to the Veterans' Appeal Board.

Mr. PHILLIPS of California. Turn to page 11, line 18, where reference is made to similar schools. In my opinion the word should be public, because we are apparently paying an average of about twice the average public school teacher's salary. Would it not be better for the veteran if that word were "public" instead of "similar"? I am asking that not because I have any strong feeling but just to find out if it would not be better for the veteran.

Mr. TEAGUE. I cannot agree with the gentleman that you should base the salaries of private school teachers on those of public school teachers. For example, it costs much more to go to a private school than it does to go to a public school. That would certainly be unfair to the private schools, as far as I am concerned.

Mr. PHILLIPS of California. Let me ask one more question. This has been a very hurried résumé of the bill by me.

On page 14, line 22, the date August 24, 1949, is stricken out, and with the passage of this act other wording will be substituted. I would read that to wipe out the restrictions placed in the appropriation bill; is that right?

Mr. TEAGUE. That is right.

Mr. PHILLIPS of California. Is the gentleman sure that he has included in the bill the same desires of the Appropriations Committee?

Mr. TEAGUE. I have read side by side the words of the Appropriations Committee and these words. It is in this bill.

Mr. PHILLIPS of California. My own feeling regarding the bill is that the intent of the bill is excellent, but it is very difficult for us to understand it on such short notice.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. My position is pretty much the same as that of the gentleman from California and the Appropriations Committee as well, but I have resolved this thing since this matter started at 12 o'clock pretty clearly, and I am very much in favor of it now. I refer the gentleman to page 12, paragraph 3, as an additional argument now existing in the bill having to do with this question of new courses. I think that language is very strong. I do not know who wrote it or how it got there, but that satisfies one problem that concerns me:

> No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

I think that is a salutary provision.

Mr. PHILLIPS of California. I thank the gentleman. Certainly there is no Member of the House whom we would be more willing to follow in any matter of this kind than the gentleman from Texas [Mr. TEAGUE].

Mr. EVINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. EVINS to the amendment offered by Mr. TEAGUE: On page 2, line 11, after the semicolon, add the following language: "*Provided*, That upon the certification of any State approval agency that a new or existing institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution, notwithstanding the provisions of this paragraph."

Mr. EVINS. Mr. Chairman, this language is included in S. 2596, and gives the Administrator of Veterans' Affairs the discretion to approve a new school where it is certified by the State as needed and necessary. This language will take care of existing schools presently in operation that have already been approved and are accredited and are living up to high standards.

It was my understanding that language was to be included in the substitute bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. WHITTINGTON. Under the terms of the gentleman's amendment which is to be inserted following the word "school" in line 11, page 2 of the substitute, a school which had been certified would be entitled to be considered notwithstanding the fact that the certification had not been for a year prior to August 24, 1949?

Mr. EVINS. That is correct. That is if the school comes up to accredited standards.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. FORD. This particular amendment hits at the problem which all of us have been trying to solve where we found certain discriminations against schools for one reason or another, which could not qualify under the legislation which was approved a year or so ago. It does not say that any fly-by-night school can be approved. The Administrator can still disapprove such applications. It simply says that in a meritorious case the State agency can certify the school as being meritorious and it then leaves the final discretion in the Administrator of the Veterans' Administration.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. SUTTON. The gentleman's amendment also will take the monopoly away from those who are already in the field.

Mr. EVINS. That is correct, and it keeps from freezing this in the hands of existing schools in the event there is a meritorious school which comes up to the standards.

Mr. WHITTINGTON. Or the standards as they existed on August 24, 1949.

Mr. EVINS. That is right. I think it ought to be made clear in the RECORD. I believe the gentleman from Pennsylvania [Mr. FLOOD] is also interested in this amendment.

Mr. FLOOD. I might say that I had proposed to introduce this amendment, but was glad to yield to the gentleman from Tennessee, who is of course a member of the committee.

Mr. EVINS. I thank the gentleman.

I yield to the gentleman from Texas [Mr. TEAGUE], who, I understand, will offer no objection to this amendment although he did not originally write this language in his substitute bill.

Mr. TEAGUE. Mr. Chairman, in fairness to the gentleman from Georgia [Mr. WHEELER] who is not present, I must state that the gentleman from Georgia would not agree to this amendment and it was taken out as a compromise. It was put in originally to take care of those schools that had been done an injustice last year when that provision was made retroactive. In other words, if the school had operated 9 months, and spent a great deal of money, when we passed 266, it was suddenly cut out. I certainly am not in favor of establishing new schools or opening the door, but I do think if we can take care of those schools that have been done an injustice, that should be done.

Mr. EVINS. I thank the gentleman.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. PHILLIPS of California. Does this still leave the decision up to the Veterans' Administrator, or is it mandatory?

Mr. EVINS. No, it leaves the discretionary power with the Administrator.

Mr. PHILLIPS of California. May I address this question to the gentleman from Texas [Mr. TEAGUE]; is it not a fact that this would in effect add to the cost and add schools which otherwise would not get on the list? Is it not a fact it would add to the cost of the bill?

Mr. EVINS. It takes care of existing schools and those that may be certified by the State agencies as necessary. It does not freeze things and create a monopoly for existing schools or close the door. It does not, I might say to the gentleman, have anything to do with the termination date of the act which is drawing near.

Mr. PHILLIPS of California. Is the gentleman from Texas [Mr. TEAGUE] satisfied?

Mr. TEAGUE. Mr. Chairman, what the gentleman from California has said is true, it would cost more for any new schools that are put into operation.

Mr. EVINS. That is a possibility.

Mr. TEAGUE. That is an obvious fact.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. WHITTINGTON. How can it cost more if a veteran attends an existing school or one that may be established in the future? What difference does it make to the Government if the veterans attend a school which has been in existence for 12 months or 10 months?

Mr. TEAGUE. It might cost more.

Mr. WHITTINGTON. Well, the gentleman says it might, but it cannot cost more.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. EVINS].

The amendment was agreed to.

Mr. SHELLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHELLEY to the Teague amendment: On page 9, line 20, insert before the quotation marks a colon and the following: "*And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, any professional or graduate school which has been continuously affiliated with an educational institution since June 22, 1944, may elect to be subject to the nonresident tuition rates established for such educational institution, with respect to payments made for tuition during any school year beginning on or after August 1, 1949, even though the administrative function of such school is separate and distinct from that of the institution with which it is affiliated."

Mr. SHELLEY. Mr. Chairman, I have offered this amendment to clear up a situation that exists at the University of California School of Law, Hastings Law School, which I have been informed exists in several other universities in regard to their professional or graduate schools, such as engineering, medicine, or law. Hastings Law School of the University was originally started as a private venture some years back. The early part of the century it was taken over by the University of California as an affiliated school. It is now formally a part of the university and is recognized as such by the State legislature. Its funds are appropriated in the general appropriation bill. The California Supreme Court has rendered decisions declaring it to be an integral part of the State university, but it has continued to keep a separate governing board, practically all of whom are attorneys, because it is a law school. Due to that separate function, the Veterans' Administration ruled that they were in a different position and could not be treated on the same basis as the university proper. First, the Veterans' Administration said, "You are not really affiliated. You are a separate school." Now they have said, "We do not say that, but since you are not on the campus exactly"—Hastings conducts classes in the city of San Francisco—"we have to declare you as not being under the definition." And they have changed the allotment to the school.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. HINSHAW. I am glad the gentleman brought this up. I personally have not been able to understand the ruling of the Veterans' Administration in this respect. I hope the gentleman's amendment will be agreed to.

Mr. SHELLEY. I thank the gentleman.

Mr. ALLEN of California. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. ALLEN of California. I join in the sentiment expressed by my colleague from California [Mr. HINSHAW]. I think this is a very meritorious amendment and will clear up the situation.

Mr. SHELLEY. I thank the gentleman.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. SCUDDER. I am very glad the gentleman has brought up this amendment, because there has been some difficulty in this very extraordinarily fine school in San Francisco, connected with the university. I compliment you on bringing it up.

Mr. SHELLEY. I thank the gentleman.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. SHELLEY. I yield.

Mr. TEAGUE. Is it not a fact that the amendment just adopted will take care of the situation the gentleman speaks of? In other words, what they call a new school—a school that had not been in existence for a year. That is the reason they refused to recognize it?

Mr. SHELLEY. No. I am sorry. The amendment proposed by the gentleman from Tennessee [Mr. EVINS] will not take care of it. This is not a new school. It is a question of definition, whether or not they are a part of the University of California which they do recognize. It will take this amendment to correct the situation to which I referred, as it applies to graduate or professional schools. The Hastings School of Law was recognized and the students were given an allotment for four and a half years, but on September 1 last year they were suddenly put in a different category by the Veterans' Administration on what we think is an extremely flimsy basis, if there is any basis at all.

The CHAIRMAN. The time of the gentleman from California [Mr. SHELLEY] has expired.

Mr. PHILLIPS of California. Mr. Chairman, this amendment offered by the gentleman from California [Mr. SHELLEY] is one concerning which I have personal knowledge. It applies primarily to a college in the northern part of the State, but it would affect schools in other States. I am in support of the amendment.

However, I take this time to ask something of the gentleman from Texas [Mr. TEAGUE] and the gentleman from Pennsylvania [Mr. FLOOD]—I have just been called from the floor by a telephone call. It was from Mr. Stirling, of the VA. I had not previously called him. He authorized me to make this statement: You understand he is not expressing opposition to the bill, but evidently he had been sent an inquiry from the Committee on Appropriations as to how much the bill would probably cost. He authorizes me to say that the section beginning on page 6, line 9, and extending to the first word on line 15, has been estimated by their accountant to cost $15,000,000 for the year 1951.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. KEARNEY. Does not the gentleman from California feel that all these telephone calls and conversations should be made to the Veterans' Affairs Committee where the representatives of the Veterans' Administration can testify definitely?

Mr. PHILLIPS of California. I am in complete agreement. I felt that since we have had these various figures—and I am just as much confused, if not more so, than anybody on the floor—I wanted to give the gentleman from Texas a chance to know this, in connection with his statement that it could not cost more than $2,000,000. He should explore the discrepancy between these various figures.

Mr. TEAGUE. My information came from members of the Appropriations Committee. I should like to read from the appropriation bill:

In any case in which one or more contracts provide a rate or rates of tuition have been executed for two successive years the rate established by the most recent contract shall be considered to be the customary cost of tuition. * * * If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution.

Mr. PHILLIPS of California. This is the item which I questioned earlier.

Mr. TEAGUE. Yes. I was told by some of the members of the Committee on Appropriations that they meant that if they had had two contracts, Public Law 16 which covers the disabled men, and Public Law 341 which covers all

others, if they had had two of those contracts that the last contract would be the one that was in effect.

Mr. PHILLIPS of California. I have nothing further to say. I ask for a favorable vote on the amendment offered by the gentleman from California [Mr. SHELLEY].

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to speak generally on the subject of the obligation of the people of the United States toward their representatives to take care of certain principles which they set up in the GI bill of rights. There has been quite a bit of talk here as to the cost of this; it has ranged from two and one-half billions, which is absurd, down to $2,300,000.

In the first place, the whole educational and vocational training program, as I understand, is costing at the present time about $2,500,000,000, and there are about 2,180,000 GI's enrolled in these courses. To say that it would cost another $2,500,000,000 is absurd; it would mean doubling the number of GI's going to school. So that kind of argument can be ignored.

As to whether this will cost $2,000,000, $3,000,000, or $15,000,000, I wonder if we are not losing sight of the main point? The main point is that the Congress of the United States said that the veterans would have a right for certain educational and vocational training. Whether it costs $15,000,000 more per year until the eligible number are taken care of, or $3,000,000, is beside the point. I realize that we are in an economy wave, but we are not in an economy wave that is so strong that we can ignore the expressed obligation of the Congress to give to these boys the kind of training that they need.

I know of many cases in my own district, and I know every other Member knows of boys who have had vocational training or educational training and have thereby been able to earn much greater annual salaries than if they had not had such training. What does that mean? That means that when they start earning $4,000, $5,000, $6,000, or $7,000 a year in place of the $50 or $60 a week as an untrained laborer, that they proportionately pay more into the Treasury of the United States as income tax. I think we should not lose track of the fact that this is actually an investment in these boys, an investment which will come back manyfold to the people of the United States. I also want to mention the benefits that it will give to the individual involved and to their families in the way of a higher standard of living, because of implementing the wishes of the Congress, we are giving these boys a chance to train themselves to get on a higher earning level. We are making a real investment in our citizens and we are discharging an obligation to those boys who were willing to invest the most valuable thing they had, their life, if necessary to preserve the country that we all love.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that debate on the pending amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. DAVIS of Wisconsin. Mr. Chairman, reserving the right to object, does that mean on all of the amendments?

Mr. RANKIN. Yes.

Mr. DAVIS of Wisconsin. Mr. Chairman, I object.

Mr. RANKIN. Mr. Chairman, I move that all debate on the pending amendment and all amendments thereto do now close. Does the gentleman from Wisconsin have an amendment?

Mr. DAVIS of Wisconsin. No; I do not, but I have about 2 minutes of comment I would like to make.

Mr. RANKIN. Mr. Chairman, I withhold the motion until the gentleman from Wisconsin gets those 2 minutes out of his system.

Mr. DAVIS of Wisconsin. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to say anything on this bill, because I find myself, I believe, in the position of a vast majority of the members of our committee. We hardly know enough about this bill to be able to enlighten the Members on the floor about it. It is a fact that we have not had proper hearings on it, so it does catch all of us, sincere as we are in our attempt to do something that will remedy abuses that have occurred and do justice to the veterans in their honest desire to obtain the educational benefits under the GI bill of rights. So we are caught between two fires.

In the first place, we realize it is the responsibility of the Veterans' Affairs Committee to write this kind of legislation. In the past too often we have seen the regulations affecting this educational program handled either by decree or by regulation of the Veterans' Administrator, which is not the proper way to handle it, or we have seen it handled through riders on appropriation bills, riders that have been made necessary because of the fact that our legislative committee has not provided by legislation the regulations that are needed for guidance under this program. So I think we all agree that this bill represents the proper approach to the problem we have before us, but, as I say, the approach is hardly enough. The fact remains that our committee has not followed through on this proper approach. This is not a committee bill.

I want to pay my high compliments to the gentleman from Texas [Mr. TEAGUE] and to the gentleman from Georgia [Mr. WHEELER] who have spent long hours, and tedious and studious hours, in attempting to do a job that ought to be done by the committee as a whole. I believe this is better than anything we have had by regulation in the past, but because it is not a committee bill I am going to be compelled to vote for the motion to recommit, and I shall do that with great reluctance because I fear if the motion does carry and the bill does go back to our committee, the committee will not bring out the kind of legislation we ought to have. Because I cannot as a member of that committee in good conscience recommend to the Members of this House that they support a bill which has not had hearings before our committee, as I say, I shall reluctantly and with great deference to the work which my very esteemed colleague from Texas has done on this matter, vote for the motion to recommit that will be offered by the gentleman from New York.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I have listened attentively to the statement of the gentleman from Texas [Mr. TEAGUE]. As I understand, this is an attempt to put into substantive legislation the very regulations that are now effective under regulations of the Veterans' Administration.

Mr. TEACUE. That is exactly correct.

Mr. KEEFE. If that is true, then why the urgency for the passage of this bill, and why not hold hearings on this proposal and let us get the facts as to the cost, because if the statement which the gentleman agrees with is correct, no harm or injury is going to occur to the veteran, because he proposes to incorporate into substantive law the actual situation that now prevails under regulations. I am inclined to agree with my colleague from Wisconsin that this is a hasty way to bring legislation here without hearings, without an opportunity on the part of the Members to give this matter the study that it ought to receive. I shall support the proposal to return this measure to the committee with the hope that the committee, under the leadership of the gentleman from Mississippi will hold hearings on this bill so that the Members will know what is in it and not have the equivocation that is apparent here this morning as to the cost, and other things. I think that is a proper legislative way to proceed.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. THOMAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this morning I called the Veterans' Administration about 9 o'clock and asked them to give me a breakdown of the cost of this substitute bill. I was advised that they had not had an opportunity to do that and had not made a study. So, a few minutes ago I was called and they said they had made the study, and I understand one of the sections has been stricken, but the point is that the entire cost, as a minimum estimate, will be $77,300,000.

Mr. TEAGUE. What section?

Mr. THOMAS. They said two sections. They said that two sections would cost $75,000,000, and the contribution to the State would be $2,300,000.

Mr. EVINS. Mr. Chairman, if the gentleman will yield, I wish the gentleman would not try to usurp the functions

of the Committee on Appropriations of the Veterans' Administration. I have in my hands the figures which the clerk of the gentleman's committee provided me this morning. We had a lot of controversy about the cost.

Mr. THOMAS. This is a conversation I had with the Veterans' Administration.

Mr. EVINS. This controversy I had was with the clerk of the gentleman's own committee. He gave the figures for 1949, 1950, and 1951, and I have the figures here.

Mr. THOMAS. Mr. Chairman, I decline to yield further. I had this conversation less than 10 minutes ago. The total cost—I am quoting them; it is their figure and not mine, because I do not know what is in the bill, and if I had known I would not have called them, of course—was $77,300,000.

My point is this. I do not yield to any man on this floor in my desire to help the veteran, but as sure as I am talking to you gentlemen, if we keep on adding benefits and benefits, where are we headed for? Certainly, there is no demand from the veterans themselves, for this bill; let us not fool ourselves about that. There is a handful of proprietary schools that are not happy and satisfied. Not all of them are unhappy, of course, because most of them have made sufficient money out of other bills and they are not unhappy. And, if we keep on yielding to that sort of pressure we are going to drive these veterans into an economic situation that I am so afraid of, and my goodness alive, what a horrible thing it will be for the veterans. Nobody wants to do that. I am trying to talk just a little common horse sense. Now, you all want to help the veteran just as I do, but we must do it within reason. Let us recommit this bill and let the distinguished gentleman from Texas and his subcommittee study this thing carefully. There is no finer man on this floor or anywhere else than my distinguished friend, the gentleman from Texas [Mr. TEAGUE]. He has a great and distinguished war record; a man that has gone through the shadows of death himself in battle and has impairment of health that he will carry to his grave. But I suggest that he take this bill back to his committee and give it the consideration and the study he is capable of giving it. If he gives it the necessary time and has the proper assistance, it is my judgment he will come back with a good, sufficient, and sound answer. When he comes back and reports it to this House, I will accept his judgment under those circumstances.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. KEARNEY. I want to echo the thoughts of the gentleman from Texas in reference to the gentleman from Texas [Mr. TEAGUE]. I say this because in the first instance, the cost of this bill was two-million-dollars-something, after the first telephone conversation it came to $15,000,000, and now it is $77,000,000. If we keep legislating by telephone it may run to $100,000,000.

Mr. THOMAS. There is some honest difference of opinion there.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Arkansas.

Mr. HARRIS. I am sure the other Members appreciate, as I do, the fact that the gentleman is insisting on clarifying this matter in order that we may all know just where we are.

Our colleague the gentleman from Texas [Mr. TEAGUE] a few minutes ago said he intended to offer an amendment that would give assurance that this legislation would not cost more than $2,300,000.

Mr. THOMAS. Let us not do it by piecemeal. Let us do it in the right way, and go back and give him a chance to work it out.

Mr. RANKIN. Mr. Chairman, I move that debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE] as amended.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. PRICE, Chairman of the Committee on the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), pursuant to House Resolution 447, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

CALL OF THE HOUSE

Mr. KEEFE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 163]

Abbitt	Combs	Green
Angell	Cooley	Hall,
Bailey	Coudert	Leonard W.
Barrett, Pa.	Davenport	Hare
Biemiller	Davies, N. Y.	Harrison
Bolton, Ohio	Davis, Tenn.	Hays, Ark.
Bonner	Dawson	Hébert
Boykin	Deane	Hill
Breen	D'Ewart	Hoeven
Buchanan	Dingell	Jackson, Wash.
Buckley, N. Y.	Dollinger	James
Bulwinkle	Douglas	Jones, N. C.
Burton	Durham	Judd
Byrne, N. Y.	Ellsworth	Kee
Cannon	Engel, Mich.	Kennedy
Carlyle	Gilmer	Kilburn
Case, S. Dak.	Golden	Klein
Cavalcante	Gordon	Kunkel
Christopher	Gore	LeCompte
Chudoff	Granahan	Lodge
Clemente	Granger	Lyle
McCarthy	Murphy	Shafer
McConnell	O'Neill	Sheppard
McKinnon	Patten	Sims
McMillan, S. C.	Pfeifer,	Smathers
McMillen, Ill.	Joseph L.	Smith, Ohio
McSweeney	Pfeiffer,	Stockman
Mack, Wash.	William L.	Towe
Macy	Potter	Vorys
Mansfield	Powell	Walsh
Martin, Iowa	Quinn	Werdel
Miles	Redden	Wheeler
Miller, Calif.	Rhodes	White, Calif.
Mitchell	Roosevelt	White, Idaho
Monroney	Sabath	Wolcott
Morgan	Scott, Hardie	Wolverton
Morrison	Scott,	Wood
Multer	Hugh D., Jr.	Woodhouse

The SPEAKER pro tempore. On this roll call 321 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TRAINING OF VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. KEARNEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. KEARNEY. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEARNEY moves to recommit the bill to the Committee on Veterans' Affairs for further study and for full and complete public hearings.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. KEARNEY) there were—ayes 102, noes 145.

So the motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the bill as passed be printed in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The bill as passed is as follows:

Strike out all after the enacting clause and insert "That paragraph 9 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: 'Provided, That except as provided in this amendment, no regulation or other purported construction of title II, as amended, shall be deemed consistent therewith which denies or is designed to deny any eligible person, or limit any eligible person

in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

"'A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in any public school or other tax-supported school: *Provided,* That upon the certification of any State approval agency, that a new or existing institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph;

"'B. That in accordance with the provisions of paragraph 8 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

"'C. That if any eligible veteran, who has completed or discontinued (for any reason other than unsatisfactory conduct or progress) a course of education or training, applies for an additional course in the same or other field of education or training, the Administrator may deny initiation of such course only if he finds (1) that it is precluded by the first proviso, paragraph 1 of said title II, as amended, or (2) that it is not in the same general field as his original educational or occupational objective, or (3) that it is precluded by limitation of paragraph D below;

"'D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses; photography courses; glider courses; bartending courses; personality-development courses; entertainment courses: Music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood.'

"SEC. 2. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof a new subparagraph (d) as follows:

"'(d) As used in this part, the term "customary cost of tuition" or "customary charges" or "customary tuition charges" shall mean that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"'(A) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

"'(B) One of the following conditions prevails:

"'1. The institution has been established subsequent to June 22, 1944.

"'2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

"'3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"'4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944.

"'For any course of education or training for which the educational or training institution involved has no customary cost of tuition, a fair and reasonable rate of payment for tuition, fees, or other charges for such course shall be determined by the Administrator. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of "customary cost of tuition" as hereinbefore set forth. For the purpose of the preceding sentence "contract" shall include contracts under Public Law 16 (78th Cong., March 24, 1943), Public Law 346 (78th Cong., June 22, 1944), and any other agreement in writing on the basis of which tuition payments have been made from the Treasury of the United States. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph, or with any other action of the Administrator under the amendments made by the Veterans' Education and Training Amendments of 1949, shall be entitled, upon application therefor, to a review of such determination or action (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the "Veterans' Education Appeals Board" consisting of three members, appointed by the President. Members of the Board shall receive, out of appropriations available for administrative expenses of the Veterans' Administration, compensation at the rate of $50 for each day actually spent by them in the work of the Board, together with necessary travel and subsistence expenses. The Administrator of Veterans' Affairs shall provide for the Board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. Such Board shall be subject, in respect to hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such Board with respect to all matters shall constitute the final administrative determination. In no event shall the Board fix a rate of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended.

"'Any institution having a "customary cost of tuition" established under this part may revise and improve an existing course (or establish a new related course) of substantially the same length and character subject to the same customary cost of tuition: *Provided,* That nothing in the foregoing amendments shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of the Veterans' Education and Training Amendments of 1949, or to affect payments to educational or training institutions under contracts in effect on such date: *Provided further,* That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be "fair and reasonable" during negotiations for a contract, and, during the pendency of any appeal which the school may make.'

"SEC. 3. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is further amended by inserting before the period at the end thereof a colon and the following: '*And provided further,* That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, any institution shall be regarded as a nonprofit institution if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944: *And provided further,* That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, any professional or graduate school which has been continuously affiliated with an educational institution since June 22, 1944, may elect to be subject to the nonresident tuition rates established for such educational institution, with respect to payments made for tuition during any school year beginning on or after August 1, 1949, even though the administrative function of such school is separate and distinct from that of the institution with which it is affiliated.'

"SEC. 4. The third sentence of section 3 of Public Law No. 16, Seventy-eighth Congress, as amended, is hereby amended by adding before the period at the end thereof a comma and the following : '(4) rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of part VIII of such regulation and in the supervision of such institutions.'

"SEC. 5. That paragraph 11 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof the following new subparagraph:

"'(e) 1. Any school operated for profit in order to secure or retain approval to train veterans which, during any period, has fewer than 25 students, or one-fourth of the students enrolled (whichever is larger), paying

their own tuition, in addition to meeting all requirements of existing law, will be required to submit to the appropriate State approving agency a written application setting forth the course or courses of training. The written application covering each course must include the following:

" 'a. Title of the course and specific description of the objective for which given.

" 'b. Length of course.

" 'c. A detailed curriculum showing subjects taught, type of work or skills to be learned, and approximate length of time to be spent on each.

" 'd. A showing of educational and experience qualifications of the instructors.

" 'e. A description of space, facilities, and equipment used for the course.

" 'f. A statement of the maximum number of students proposed to be trained in the course at one time.

" 'g. A statement of the educational prerequisite for such a course.

" '2. The appropriate approving agency of the State or the Administrator may approve the application of such school when the school is found upon investigation to have met the following criteria:

" 'a. The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

" 'b. There is in the school adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training. When approval is given, it shall state the maximum number authorized to be trained in each course.

" 'c. Educational and experience qualifications of the instructor are adequate as determined by the State approval agency.

" 'd. The salaries of teacher and administrative personnel are comparable to the prevailing salary rates of teachers and administrative personnel in similar schools located in the same area.

" 'e. Adequate records are kept to show attendance, progress, and conduct, with periodic report to be provided to the Veterans' Administration; there are clearly stated and enforced standards of attendance, progress, and conduct.

" 'f. Appropriate credit is given for previous training or experience, with training period shortened proportionately. No course of training will be considered bona fide if given to a veteran who is already qualified by training and experience for the course objective.

" 'g. A copy of curriculum as approved is provided to the veteran and the Veterans' Administration by the school.

" 'h. Upon completion of the training, the veteran is given a certificate by the school indicating the approved course, title, and length, and that the training was completed satisfactorily.

" '3. No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

" '4. The Veterans' Administration is not authorized to award benefits under this part if it is found by the appropriate State approving agency that the course offered by a school operated for profit fails to meet the applicable requirements of this subparagraph (e).'

"SEC. 6. Paragraph 6 of part VIII of Veterans Regulation Numbered 1 (a), as amended, is hereby amended to insert '(a)' immediately after '6,' and adding the following new subparagraph:

" '(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required.'

"SEC. 7. Paragraph 5 of part VIII, Veterans Regulation Numbered 1 (a), as amended, is hereby amended by inserting '(a)' immediately after '5,' and adding a new subparagraph (b) as follows:

" '(b) In any case where it is found that an overpayment to a veteran of subsistence allowance (which overpayment has not been recovered or waived) is proved in a hearing before the Committee on Waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuances or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an offset from amounts otherwise due the school or in other appropriate action, provided that any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute.'

"SEC. 8. This act shall be effective the date of approval, except as hereinafter provided: *Provided*, That section 5 shall be effective the first day of the third calendar month following the date of approval of this act: *Provided further*, That the provisions of section 4 shall be applied at the earliest practicable time in accordance with regulations issued by the Administrator.

"SEC. 9. The matter beginning with the first proviso in the item 'Readjustment benefits' under the caption 'Veterans' Administration' in the Independent Offices Appropriation Act, 1950, approved August 24, 1949, is hereby repealed, effective August 24, 1949.

"SEC. 10. This act may be cited as the 'Veterans' Education and Training Amendments of 1950.' "

CONGRESSIONAL BASEBALL GAME

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to make an announcement of importance to the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, for the last several years there has been a congressional baseball game played between Democrats and Republicans. The benefits go to the summer encampment of underprivileged children of the District of Columbia.

I have the honor again to be designated by my colleagues on the Democratic side to undertake to manage this bunch of rugged individualists. I wish to announce to the House of Representatives today that arrangements have been made with the management of Griffith Stadium, with the sponsors, the Washington Evening Star, and others in the District of Columbia interested in this worth while undertaking that on a week from next Friday, that is, on the 19th of May, at 8:30 o'clock p. m., this annual game will be played.

We know that to make it another successful event it will be necessary to have the cooperation of the Members of the Congress and those downtown willing to participate.

The Secretary of Defense has very graciously and courteously consented to allow the bands from the various branches of the service to participate on that occasion. I am sure you will find participation in this worthy cause will be very gratifying and will make you feel glad of your efforts. Last year the receipts from this game afforded an opportunity to several hundred underprivileged childen of the District of Columbia to attend a summer camp who otherwise might have been on the streets, perhaps in the slums here in the District of Columbia.

Now, Mr. Speaker, I am glad to yield to my colleague and rival manager, the gentleman from Illinois [Mr. BISHOP], who will manage the Republican team again, and let him make such statement as he wishes for the benefit of our friends on the other side.

Mr. BISHOP. Mr. Speaker, may I call the attention of the Members to the fact that they have been listening to OREN HARRIS and not Bucky Harris. Last year the Republicans might have been a little bit overconfident, but this year we are getting down to real business. We have a few new faces on the team and we know we are going to give the Democrats plenty of trouble. We were also informed last night, and as you might know from the press, that we may have some assistance from the Senate side. With that additional assistance, which I acknowledge we need, you are going to see a good ball game for a good cause. We are hoping for an ideal night, so that you can come out and enjoy yourselves. Last year we netted about $6,500 from the game, which was spent, as our colleague Mr. HARRIS has told you, to send the underprivileged children of the District to a summer camp. This year in this special effort that the Star and their friends are going to make along with the Members of Congress we hope that we can raise that to $10,000 to help the underprivileged children of the District without regard to race, creed, or color.

So it is up to you and your families to go out and enjoy yourselves. I hope you will enjoy our efforts. We hope we have not waited too long. I know we are going to give you the best we have.

Mr. HARRIS. Mr. Speaker, I appreciate the words of my distinguished rival manager. It has been reported around here that they have been going out early in the morning and trying to make us think that they are going out at 9 o'clock to practice. The fact is that the pages of the House did challenge them to a game a few days ago. They came back here and reported that they defeated the pages 7 to 3. The truth is, I am reliably informed, that the pages defeated the Republicans 17 to 2.

You realize that on our side of the House we have a bunch of fellows who

call themselves rugged individualists, and as manager I have already run into a lot of trouble. For instance, I have one Member who said to me, "You better play fair with me this time because very frankly where I come from I can go over to the Republican side as well as the Democratic side."

That gives me no little concern. I found out that our star pitcher, a man who, of course, has been doing a fairly good job for us the last couple of years, lives down in Georgia and may not be here. I got to checking into it and it looks like the National Defense Establishment has colluded with the Republicans and called our pitcher back to Georgia. It seems he is going to have to be detained for Army Day. I do not know why they have Army Day the next day after this ball game.

Then, another development has caused the manager a great deal of concern. I notice in the Star this afternoon that we have a hold-out. I may get TOM PICKETT out there. He is the best performer we have. I am not sure that he has rendered the greatest benefit to the team other than being a performer, but if my Democratic friends would allow me to take them into my confidence, I would ask them to help get this star performer, TOM PICKETT, out there for his usual performance.

Mr. BISHOP. May I call attention to the fact that the first question the manager on the Republican side would ask this hold-out is, "What kind of a ballplayer are you?"

I might call attention to the fact that this snooper had a lot of help. This is a true story. One of the sons of a gentleman from the opposite side of the House, who happens to be on the right side of the aisle, had his son out there watching every ball that was being thrown.

When we get to the pages' side of this, the biggest boy that came to me said, "You all know that we are not just playing Democrats in this, don't you?" I said I presumed that all the pages were going to participate, and they came out. The pages participated on both sides. We did not have enough to fill the uniforms. May I tell you seriously we are urging the Republicans to turn out so that we will have enough to fill all the uniforms on the night of the nineteenth, but with the help of the pages assigned to us we made a few innings out there and the actual score was 6 to 4, by calling the game so that we could get back to our offices and do some work. Of course I do not know how many were on bases at the time, but there were not over three.

Mr. HARRIS. We are glad to have that clarification.

There is another development that my team mates had better take notice of. One of the ladies in this House may participate in this game. She has notified us by letter and I talked to her about it. So I can say to these so-called hold-outs that we are going to have a great deal of rivalry on this team and a lot of competition. However, seriously speaking, the game is to be played for a very worthy cause, and we would appreciate a good attendance.

Mrs. BOSONE. To clear this up, I am not that woman.

Mr. HARRIS. I would say to my distinguished colleague we would be very happy for her to join with us.

Mr. BISHOP. The ladies on our side have been invited; but they said they loved baseball, but they did not think they would be there in uniform that evening.

The SPEAKER pro tempore. The time of the gentleman from Arkansas [Mr. HARRIS] has expired.

STATEHOOD FOR ALASKA AND HAWAII

Mr. McGUIRE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. McGUIRE. Mr. Speaker, on Friday, May 5, President Truman requested the chairman of the Senate Interior Committee to direct his attention to the establishment of statehood for the Territories of Alaska and Hawaii. I am inserting President's Truman's letter in today's RECORD.

The momentum of recent events makes it certain that before long both Alaska and Hawaii will possess an equal voice in directing the affairs of this great Nation. Just how imminent is a 50-State Nation depends on the swiftness of Senate action. And there is every indication that such action may come sooner than anyone expects.

One of the corollary problems attendant to the establishment of statehood for Alaska and Hawaii is the significant change which will take place in the American flag when these new States are added. These are momentous times for Old Glory too. In the past, our flag has been changed without rhyme or reason, or, to be more exact, without congressional direction, whenever a new State has come into the Union. For this reason, I have introduced a resolution to establish a committee of this great body to hold hearings and make recommendations regarding the appearance of our new flag, or, should I say, our New Glory. I am certain that the passage of this resolution will insure us of a New Glory worthy of our hallowed institutions.

THE WHITE HOUSE,
Washington, May 5, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: I am highly gratified by the thorough and objective consideration which your committee is giving to H. R. 331 and H. R. 49, bills which would enable the Territories of Alaska and Hawaii to take their rightful place as members of the Union. As you know, I have long supported the objectives of these important bills which carry out the pledges made to the people of the two Territories. I sincerely hope that the Congress, during its present session, will enact legislation granting statehood to Alaska and Hawaii. The need is more urgent today than ever before. By such action, we will not only promote the welfare and development of the two Territories, but also greatly strengthen the security of our Nation as a whole.

It should not be forgotten that most of our present States achieved statehood at a relatively early period of their development. The stimulus of being admitted as full partners in the Union and the challenge of managing their own affairs were among the most significant factors contributing to their growth and progress. Very few of our existing States, at the time of their admission to the Union, possessed potential resources, both human and natural, superior to those of Alaska and Hawaii. I am confident that Alaska and Hawaii, like our present States, will grow with statehood and because of statehood.

There is no necessity for me to repeat at this time the arguments for statehood. The many qualified witnesses who have appeared before your committee have, I am sure, presented convincing evidence both as to the need for and the tangible benefits to be derived from statehood. There is, however, one objection made by opponents of H. R. 331 and H. R. 49 which I believe requires further discussion because it goes beyond the question of statehood and raises a fundamental constitutional issue. I am referring to the objection that Alaska and Hawaii as States would be entitled to representation in the Senate of the United States disproportionate to their population.

This argument is not only entirely without merit, but also directly attacks a basic tenet of the constitutional system under which this Nation has grown and prospered. Without the provision for equal representation in the Senate of all States, both great and small, regardless of population, there probably would have been no United States. This was one of the great compromises which the Federalist says was a result "not of theory, but of a spirit of amity, and that mutual deference and concession which the peculiarity of our political situation rendered indispensable." There is no justification for denying statehood to Alaska and Hawaii on the basis of an issue which was resolved by the Constitutional Convention in 1787.

America justly takes pride in its record of fulfilling to the letter its obligations to foreign nations. We should be no less scrupulous in carrying out the promises made to our own citizens in Alaska and Hawaii. The case for statehood rests on both legal and moral grounds.

These are troubled times. I know of few better ways in which we can demonstrate to the world our deep faith in democracy and the principle of self-government than by admitting Alaska and Hawaii to the Union as the forty-ninth and fiftieth States.

Sincerely,

HARRY S. TRUMAN.

THE TABER AND JENSEN AMENDMENTS TO THE APPROPRIATION BILL

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, in perusing the morning paper, the Washington Post, I noticed an article which purported to give an estimate of the Civil Service Commission in which they said that in the fiscal year 1951 there would be 310,000 vacancies in the Federal personnel. This is around 15 percent, I believe, of the total civilian personnel.

The Taber amendment, of course, and the Jensen amendment also, will have

a direct bearing on the filling of these vacancies.

The Jensen amendment exempts doctors and nurses in the Veterans' Administration and the Public Health Service, but it is very interesting to note that it does not exempt St. Elizabeths Hospital; the doctors and nurses there are not exempted. This is the largest mental hospital in the world. It has a patient load of over 8,000. If we have a possible loss through resignation or otherwise of 15 percent in the doctor and nurse personnel at St. Elizabeths you can see the problem we are going to have confronting us. It is just another indication of passing a broad and sweeping amendment without knowing its effect. I predict that many other problems will arise. I think the adoption of the Jensen amendment is something which will be long regretted by this House.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for one additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. ROONEY. Would the gentleman comment on the impact that yesterday's action of the House of Representatives, if it were to be sustained, would have with regard to the layoff of from 200,000 to a quarter of a million Government employees, the effect it would have on the economy of our country?

Mr. HOLIFIELD. Undoubtedly it will add to the rapidly growing unemployment situation. But I am concerned even more with the Jensen amendment which will permit only one in ten of these vacancies to be replaced.

I certainly hope that the conferees on the Appropriations Committee in their conference with the Senate will revise this amendment to the point where it will at least be practical and workable.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. CANFIELD. I think the gentleman will recall that there were only 21 votes against the bill as it finally passed the House yesterday.

Mr. HOLIFIELD. I do not remember the size of the vote; the gentleman may be right. But it would not be the first time that the House of Representatives made a mistake. I can even remember some instances where the Supreme Court has overruled some of the decisions that have been made by this House.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. ROONEY. Is it not the fact that the number of votes against the bill yesterday on final passage is no true indication of anything, for the reason that the real vote was on the Thomas-Taber amendment?

Mr. HOLIFIELD. I think the gentleman is speaking the truth in that regard.

FOREIGN POLICY

Mr. HOFFMAN of Michigan. Mr. Speaker, an ever-increasing burden is being imposed upon the taxpayers of the Nation.

Not only do the annual appropriation bills constantly grow larger—the present one calls for something more than $29,000,000,000—but, with this year's increase of more than $5,000,000,000 in the Federal debt, the total debt now being around $260,000,000,000, there is an annual interest charge on that debt of some $5,000,000,000. That interest charge continues to increase.

To date, while Congress talks economy, it takes no steps to give you economy.

But the ever-increasing tax burden, which now forces you to work 1 day out of 4 for Uncle Sam, is not our greatest concern.

Just a few days ago, President Truman, on his across-the-country speaking trip, told us the international situation was not as threatening today as it was in 1946; said he expected to reduce the defense budget next year.

It is my hope that the President knew what he was talking about, that the situation justified his hope.

But not so long ago, Defense Secretary Johnson, Gen. Omar Bradley, and George Kennen, spokesman for the State Department—three men who have all possible available information about military and political conditions—expressed grave concern over our defense problems.

All three stated they hoped that war would not come to us this year, but they admitted they have no way of accurately forecasting the plans of Russia. They did insist that they would be remiss in their duty if they failed to call for improvement of our present military preparedness situation.

Recently, Defense Secretary Johnson was striving to cut defense expenditures, but now all three are calling for an immediate greater national defense program.

In addition to dollars, Secretary Johnson is calling for a continuation of the law to draft into the Armed Services the youth of our land.

Now, folks, listen, and especially you wives and mothers. It is one thing to take from the wage earners, the people of this country, $1 out of every 4 they earn. That is a grievous burden. We may be able to survive that, if we stay out of war.

But, if we must pay that exorbitant tax, can this country survive a course which will again, and for the third time within 40 years, force the youth of this land to fight on foreign soil under other than the command of their own officers?

There is either something radically wrong with our system of government, or with those who administer it, when American young men are called repeatedly to fight and die everywhere in the world.

At the moment, it is the policy of our State Department, while thousands of our young men are maintaining order in Japan and Germany, to conscript other young men and send them to Indochina, there to fight in a prelude to a third world war.

While demanding less spending and more efficient service in our Federal Government here at home, we should give the gravest consideration to the question of whether this country shall again, for the third time, send its boys and girls across the seas, to fight a third civilization-destroying world war.

It may be ruinous to send our dollars and strip our country of its natural resources to aid other nations.

It will be national suicide, to sacrifice our own flesh and blood on foreign soil, in a futile effort to make other nations live together in peace when they will do little or nothing to help toward that end.

It is silly and foolish, if we must have a war to get out of the mess in which we have become involved, to leave that "getting out" to those incompetents who have not been able to keep us out of the situation in which we are now bogged down.

Instead of waiting until we get into the middle of the stream, let us change horses before we wet our feet.

PLAN NO. 12 WOULD MAKE FOR INCREASED EFFICIENCY

Mr. BURNSIDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BURNSIDE. Mr. Speaker, some opponents of plan 12 have contended that the plan would increase delay in case handling, because certain duties would be restored to the Board.

I believe that the contrary result will follow. Who can deny that the spectacle of agency heads wrangling among themselves has a most demoralizing effect on staff work? The differences between the Board members and the general counsel which have arisen have not been kept secret or confidential. They have been fully aired before Congress and in the public press. Anyone familiar with Government knows the result of such public division. Factions develop within the staff. Gossip and malice are fostered. Employees are diverted from attention to their duties. Interest in the immediate internal conflict takes precedence over the performance of public service.

These are the inevitable consequences of a notorious inability of agency heads to agree. In this case both the general counsel and the members of the Board insist that no personal antagonism is involved. This is true, but it is no guaranty that subordinates on the staff can maintain the same objectivity. There must necessarily be a tremendous loss in agency output.

The general counsel and the Board are proceeding at cross purposes. They must devote much time to praiseworthy, but futile, efforts to compose their differences. These differences cannot be composed; they flow inevitably from the confusing and conflicting provisions of

the law regarding the respective powers and duties of the officers concerned.

A third cause of loss in output under the present system is the necessity of processing cases which must ultimately be dismissed. These are the cases processed by the general counsel on his theory, which are later dismissed by the Board on the application of its theory.

Impartial minds must agree that the elimination of these present obstacles to output will more than offset the added responsibilities upon the Board members resulting from the restoration of their policy-making duties.

PLAN NO. 12 IS IN ACCORD WITH THE HOOVER COMMISSION RECOMMENDATIONS

Mr. Speaker, we have heard much during debate and have read in the papers in the recent past the oft-repeated assertion that the provisions of plan No. 12 were not recommended by the Hoover Commission on Organization of the Executive Branch of the Government for the NLRB.

Now I think this is one issue that should be met immediately and settled once and for all.

I have carefully reviewed the testimony of witnesses before the House Committee on Expenditures in the Executive Departments and I did not find that any administration spokesman asserted that recommendations upon which the provisions of plan No. 12 are based, were proposed by the Hoover Commission exclusively for the NLRB. I have carefully reviewed the statements made by those spokesmen to the Senate and again I did not find any contention that the recommendations upon which the plan is founded were proposed for exclusive application to the NLRB. Quite the contrary my investigation discloses that it was the consistent position of the advocates of plan No. 12 that it conforms in essential detail with the recommendations of the Hoover Commission in respect of all regulatory commissions, of which the Board is one.

It appears to me that this issue has been raised only for the purpose of confusion. Accordingly, it should be placed in proper prospective for a clear understanding both of the plan and its intrinsic merits.

It is true that the Hoover Commission did not make any specific recommendation limited in its application to the NLRB. However, the Commission did make the same type of survey of the NLRB as it conducted of each of the other eight quasi-judicial, quasi-administrative agencies. Now why did the Commission refrain from announcing conclusions and submitting recommendations as to this Board alone while at the same time issuing conclusions and recommendations at least as to some of the other commissions.

The answer to that lies in the statement of the Commission itself. In its report on the Department of Labor in which it comments on that Department, but also upon the status of the National Labor Relations Board, the Commission states:

> The Congress is engaged in revising labor policies which affect some of these agencies. The Commission can make no recommendations as to their organization until these questions are settled.

That report of the Commission issued in March 1949. What Member of the House will not remember that at that time there were pending before the Congress a large number of controversial bills relating to the National Labor Relations Board. The Commission wisely refrained from reaching any specific conclusion that might have been susceptible of the interpretation by some as an unwarranted effort to influence legislative matters under congressional consideration.

But that is not the entire story. The answer to the lie is again the Commission's reports.

In another report dealing with the so-called Independent Regulatory Commission and also submitted to the Congress in March 1949, the Hoover Commission submitted general recommendations respecting the internal organization of all such regulatory agencies and specific proposals as to some. The Commission stated that in this report it had "confined itself to a discussion of the organizational problems of these regulatory agencies," and the report does not deal with their more basic or the quasi-judicial and quasi-legislative functions.

This report on page 1, footnote No. 1, lists the agencies which were the subjects of the Commission's study. The National Labor Relations Board is there listed by the Commission as one of the nine regulatory commissions in respect of which its general recommendations were made.

Further, on page 3 of the same report the conclusive proof that the NLRB is covered by these recommendations is found. In commenting upon one of its recommendations the Commission specifically refers to the National Labor Relations Board as one of the Commissions to which its recommendations apply, and without qualification. What could be more explicit?

Now remember that this report relates to all—and I emphasize all—regulatory commissions and is limited to Hoover Commission recommendations that are confined to a discussion of the internal organizational problems of such agencies.

If these recommendations are appropriate and desirable for regulatory commissions as such, is there any sound reason why they should not be applied to the National Labor Relations Board?

Or, putting it another way, if these recommendations will result in improved and more efficient operation of eight of the nine commissions surveyed by the Commission, is it logical to exclude the NLRB from their application merely because the Commission did not make other and further recommendations as to the Board?

Quite patently it is not. The Hoover Commission in this report made no specific recommendation in respect of the Federal Trade Commission nor the Federal Reserve Board, but like the NLRB included these agencies among those that would benefit because of increased efficiency by adoption of the recommendations. Merely because no specific recommendation was made in this report in respect of the FTC and the FRB should these two agencies be denied the opportunity to benefit by the recommendations? Quite obviously not.

A rejection of plan No. 12 can be justified only if it fails to accomplish the intent and purpose of the Hoover Commission's recommendations, or that it is patently not in conformance with such recommendations.

Accordingly, let us look for a moment at what plan 12 proposes to accomplish.

The plan itself is brief. Its sole objectives are improved organization and management. It in no wise modifies or alters substantive policies of the act the Board administers.

Brushing aside for the moment details of the plan and looking to its central purpose we find that the plan would transfer to the Chairman of the Board from wherever now residing, all executive and administrative functions. These functions have been characterized as the housekeeping functions of the agencies—the day-to-day operating problems, and not the basic authority of the Board. They include the appointment and supervision of personnel, distribution of the Board's business among personnel and administrative units, and the use and expenditure of funds. Appropriate safeguards are incorporated to assure compliance by the Chairman with general policies of the Board and conformance to decisions and determinations the Board is authorized by law to make. Also the Board itself and not the Chairman must approve appointments to head major administrative units. And the Board, of course, will retain authority to revise budget estimates.

Does such a plan conform to the Hoover Commission recommendations?

Looking to the reports of the Commission, we find that great emphasis was given to the establishment of clear lines of authority and responsibility. In line with this major objective, it recommended that the everyday operating problems of all regulatory commissions be assigned to the chairman of such agencies.

Recommendation No. 1 of the Hoover Commission in its report on regulatory commissions states:

> We recommend that all administrative responsibility be vested in the Chairman of the Commission.

These are the words of the Hoover Commission. That is what plan No. 12 proposes to accomplish. The Hoover Commission, as I have pointed out, intended that it apply equally to the NLRB as to the other eight commissions surveyed.

Plan No. 12 provides an organization for the NLRB identical with that provided for these other regulatory commissions. It achieves this uniform pattern by literal and absolute reliance upon the recommendations of the Hoover Commission.

Those who argue that the Hoover Commission made no specific recommendation respecting the NLRB overlook the fact that the Commission commonly made general recommendations without going into all specific effects upon each particular agency. Those who insist that

this is not so are not trying to achieve adoption of the Hoover Commission's recommendations, but rather seek to prevent application of these recommendations for good organization to the NLRB.

A vote against this plan will be a rejection of one of the important recommendations submitted by the Hoover Commission and at the same time a bar to the more efficient administration of one of our most important public policies.

SEPARATION OF FUNCTIONS UNDER TAFT-HARTLEY ACT HAS NOT WORKED

Mr. Speaker, the question before this House is whether to install a sound and constructive organization at the Labor Board with a clear and direct line of responsibility, or whether to continue to put up with the administrative monstrosity that that agency has become.

Long before the Taft-Hartley Act, experts in and out of Government recognized that the administrative-agency approach to Federal regulation requires a flexible approach and a clear line of authority. As early as 1941, the Attorney General of the United States received a lengthy and thorough report on administrative procedure. That report weighed the advantages and disadvantages of a complete separation of functions, such as is now in effect at the Labor Board. The considered judgment of that report was that "complete separation of functions would make enforcement more difficult and would not be of compensating benefit to private interests. On the contrary, both those private interests which the statutes are designed to protect and those which are regulated would be likely to suffer, and finally we conclude not only that separation will not necessarily cure bias and prejudice but that the requisite impartiality of action can be secured by the means set forth in this and the preceding sections of this report"—report of the Attorney General's Committee on Administrative Procedure, 1941, pages 55–60.

The reasons of the committee for rejecting complete separation included the fear that consistency would be lost, confusion would result, enforcement would be rendered more difficult, and informal settlements would be discouraged.

In conformance with the recommendations of the Attorney General's Committee, the Congress, in 1946, enacted the Administrative Procedure Act. That statute is applicable to the National Labor Relations Board and to all other administrative agencies. Section 5 (c) of the Administrative Procedure Act provides that—

> No officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency in any case shall, in that or a factually related case, participate or advise in the decision, recommended decision, or agency review pursuant to section 8 except as witness or counsel in public proceedings.

This requirement, and all the other major requirements of the Administrative Procedure Act were already in effect at the Labor Board at the time that that statute was enacted. It is generally conceded that Labor Board procedure was taken as the model for some of its provisions. The act provided for the foregoing type of internal separation of functions as the most efficient and at the same time the fairest procedure.

In February of 1947, the present general counsel of the Board, at the request of Senator DONNELL, commented on the provisions of Senator Ball's labor bill, S. 360. That bill contained a provision for the separation of the Board's functions and for the transfer of its investigative and prosecuting functions to the Department of Justice. Mr. Denham, at that time, fully recognized the dangers of the proposal. He wrote:

> It simply will not work. The administration of labor relations at the source involves much more than the trial and determination of adjudications. More than 90 percent of the matters which might develop into litigations are disposed of administratively in the regional offices. These dispositions must be coordinated to the same general policy that influences the final determination of the litigated cases. This proposed division would only create additional confusion with policy emanating from two independent and uncoordinated sources. (Hearings before Senate Committee on Labor and Public Welfare on S. 249, 81st Cong., 1st sess, p. 1130.)

It is no discredit to Mr. Denham that he later accepted appointment to his present post. He is a fighter and I respect him for it. In September 1947, shortly after his appointment by the President, Mr. Denham again very candidly appraised the set-up. He said:

> There are bare spots in the picture and there are spots where a protracted division of opini n between the Board and the general counsel could lead to fantastic results. Particularly is this true in matters pertaining to the jurisdictional features of the law. The Board, on appeals, in representation cases, may find jurisdiction and entertain a petition. On the same facts the general counsel may refuse to issue a complaint for what he conceives to be lack of jurisdiction. In neither decision will a direct appeal lie. It is an absurd situation but it can happen in the present state of the law. (Senate hearings, p. 207.)

Unfortunately, Mr. Denham was a good prophet. The separation of functions simply has not worked. The confusion he foresaw has developed. The absurd situation which he described has yielded the fantastic results which he feared.

A number of head-on clashes have occurred. The Board and the general counsel are at loggerheads over jurisdiction. They are unable to agree that he should express only the Board's position in the courts. The Board has ordered him to consult them on the appointment of top field personnel. He has publicly refused—NLRB release, No. 284, March 2, 1950.

I do not say that in these disputes between the five-man Board and the general counsel, that the Board is always right or that Mr. Denham is always wrong. I do say that it is high time we put an end to the frustrating duality of authority which characterizes the administration of the labor law, so that the law will have a chance to operate.

It is ridiculous to continue under a system that has been so thoroughly discredited. Mr. Speaker, I shall vote "no" on the resolution to disapprove plan 12.

REORGANIZATION PLAN NO. 12 TRANSFERS HOUSEKEEPING FUNCTIONS TO CHAIRMAN AND SUBSTANTIVE POLICY-MAKING FUNCTIONS TO WHOLE MEMBERSHIP OF NLRB

Mr. Speaker, there has been a lot of loose talk and conjecture about what plan 12 actually does.

Just exactly what is the purport of plan 12? The plan, if adopted, will do two, and only two, things. First, it will transfer the housekeeping functions of the Labor Board to its Chairman. Second, it will restore the policy-making functions of the Labor Board to the Board members, where it belongs.

I have heard no criticism of the proposal to centralize housekeeping responsibilities. These involve supervision of personnel, assignment of duties, and disbursement of funds. It is the considered judgment of the Hoover Commission, after exhaustive study, that these duties can best be performed by one man, leaving the remaining Commissioners free for adjudication and policy making. This proposal has been uniformly recommended by the Hoover Commission for the seven regulatory commissions of the executive branch, of which the Labor Board is only one. Its sole purpose is to improve the efficiency of the service, and it will surely meet approval.

It is when attention is directed to the equally sound proposal to restore policy functions to the five-man Board that a strange and terrible heat is generated. Cries of "foul" are heard; it is said that this is a back-door attempt to legislate by way of reorganization. What are the facts? First, no new function is created by plan 12 and no existing function is taken away. All that is done is that the broad policy functions now exercised by the general counsel as an independent agency are restored to the five-man Board. This is wholly within the province of the Reorganization Act and is not a novel procedure under reorganization acts of the past. The testimony before the Committee on Executive Expenditures—page 90—contains 12 instances in which entire offices were eliminated by consolidation pursuant to reorganization plans. It is only natural that when all the functions of an agency are transferred to another the first agency will have no further reason for being and must be abolished.

The objection is made that the plan will have the effect of amending an act of Congress. Of course it will. The entire Reorganization Act was necessary only in order to enable reorganization of functions which were originally allocated by statute. If the matter were not provided by statute, the reorganization could be made without congressional approval, and no plan would now be before us.

The further objection is made that this proposal is somehow substantive. This is wholly untrue. Not a single unfair labor practice, not a single representation rule, not a single provision covering emergency strikes, injunctions, private suits, union security, or any other substantive requirement or rule of the Taft-Hartley Act is affected. All that is involved is that the present two-headedness of the

agency is eliminated, so that the agency may lay down uniform policy and so that the staff and the public can be saved from confusion, conflict, inefficiency, and expense.

One final comment. It has been strenuously asserted in some quarters that this plan's vice lies in assigning the general counsel's functions to the Chairman of the Board; that all that is done is to substitute one-man control by the Chairman for one-man control by the general counsel. A reading of the plan itself completely refutes this contention. The Attorney General of the United States has made clear that only the housekeeping functions of the agency will be in the Chairman. In a letter to the Director of the Budget—April 13, 1950—he states:

> It is clear that the plan transfers from the general counsel and the Board to the Chairman housekeeping functions and related functions of a supervisory nature. It is equally clear that it is the purpose of the plan as described in the afore-mentioned message of the President to establish between the Board and the Chairman the "identical relationship" as that "provided for the other regulatory agencies," which means that substantive decisions are the responsibility of the Board as a whole and not of the Chairman individually.

There is nothing sinister about this plan as some would have us believe: It is not an attempt to change substantive legislation; it is a proposal to improve efficiency: it does not add or abolish any function of government; it does transfer certain functions in the interest of uniformity among the regulatory agencies. It does not transfer the policy functions of the general counsel to the Chairman of the Board; it does transfer them to the five-man Board.

If the House will restrict itself to a consideration of the merits of what the plan will accomplish, there can be little doubt but that the resolution rejecting the plan will be defeated, as it should.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Illinois [Mr. VELDE] is recognized for 30 minutes.

UNDEMOCRATIC ACTIONS IN LABOR UNIONS

Mr. VELDE. Mr. Speaker, I should like to call attention to a most vivid example of undemocratic action in a labor union. This example is built around the case of Mr. Lloyd Sidener, of Canton, Ill., who this week came to Washington of his own free will and accord and at his own expense to assist the Federal Government in legislating against the undemocratic processes which are depriving him, and many others like him, of his and their very livelihood.

As it is rather doubtful at this point as to whether or not Mr. Sidener will be given the opportunity to testify before the House Labor Subcommittee set up to investigate undemocratic actions in labor unions, I want the facts to be of public record to show what is going on in some unions today and that we, as representatives of the people, are obligated to right this wrong, and correct this injustice with remedial legislation, if necessary.

As I said before, I should like to review the case of Mr. Lloyd Sidener, a coal miner from Canton, Ill. Mr. Sidener is a typical American, who, through ambition and enterprise, became a trusted worker in the mines, trusted by his employer, the United Electric Co. of Illinois, trusted by his fellow workers in the mines who knew him well—so well, in fact, that they elected him president of the United Mine Workers of America, Local No. 7455, which position he held until February 24, 1950. On that day, Lloyd Sidener attempted to obey a court order issued by Federal Judge Richmond B. Keech. Believing in the sanctity of our Federal court orders and in our democratic processes, he led 130 men of his union back to the coal pits, only to be met by a picket line and a road block. These pickets had their orders from a great and powerful figure in Washington; prearranged orders, if you please, which every miner in the country understood, characterized by the phrase, "the whistle blew once."

Mr. Sidener did not believe that orders issued by any American citizen should supersede the orders of a duly constituted American court. He stuck by the order of the court; he disobeyed the order of John L. Lewis. Today, Lloyd Sidener finds himself in this position.

First. He is unemployed, although he is a skilled coal-shovel operator and nearly all coal miners are digging coal today.

Second. He has been removed as president of local No. 7455 at Canton, Ill.

Third. The United Mine Workers of America have assessed a fine of $50,000 against him, which, of course, being an ordinary American citizen, he is unable to pay.

Now, I ask you, just what kind of a government would tolerate such an injustice? We might expect to find such a situation in Hitler's Germany or in modern times in Stalin's Russia. But surely not in America! Yet, that is the situation as it stands today, whether we like it or not. Lloyd Sidener is not the only coal miner in America who believes in our constitutional Government and the edicts of its duly constituted courts. Millions of other loyal American labor-union members believe in the same things Lloyd Sidener believes in.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. VELDE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Upon what information does the gentlemen base his statement, whether upon the statement of Mr. Sidener alone, or of other witnesses? Where did you get your information?

Mr. VELDE. If the gentleman will allow the Jacobs subcommittee which has been formed by a vote of the full labor committee to issue subpenas and to investigate the Sidener's case, I am sure he will have the answer to those questions.

Mr. PERKINS. Is it not a fact that the gentleman brought Mr. Sidener up here from his district and the statement he is now making to the House is based altogether on the statement that was taken by the investigator for the Education and Labor Committee from Mr. Sidener and from no other source?

Mr. VELDE. The gentleman is mistaken in at least two instances. I did not bring him to Washington. He came of his own free will and accord. He is not from my district in Illinois. Some of the information which I have obtained has come from Mr. Sidener and has come from him personally. I have not even talked to the investigator for the committee regarding this.

Mr. PERKINS. I am sure the gentleman is correct and that he did not bring the witness here. I was misinformed. But I am asking the gentleman at this time whether or not he is basing these statements on any other person's statement other than Mr. Sidener and if he has other information, would he please tell the House from what source he is getting these statements? I think the Members of this House would like to know that and whether or not Mr. Sidener has repudiated his own statements on one occasion back in Illinois.

Mr. VELDE. I will say to the gentleman that Mr. Sidener has never repudiated any of his statements as far as I know. I think the gentleman knows that a great deal of this story has appeared in the press already. I think the gentleman also knows that the FBI has been investigating this case and has recently had a number of agents in Canton, Ill., investigating the case.

Mr. PERKINS. The gentleman knows that if a wrong has been committed or if a right of Mr. Sidener has been infringed upon, that this will be corrected in his case before the National Labor Relations Board, he has a proper remedy before the National Labor Relations Board, and, besides, the gentleman concedes that the FBI is making an investigation in this particular district. In addition to that, we have a case pending here in the Supreme Court concerning Judge Keech's injunction. In view of all these various actions, I would like to ask the gentleman if his only reason for coming here before the membership of this House and making these statements is not solely for politcal purposes?

Mr. VELDE. I think the gentleman will agree that it is not popular politically, and I would not be speaking here today just for that reason. I certainly have no feeling that the investigation of undemocratic activities in labor unions would be popular politically. I think it is a duty that someone has to do, and I think it is a duty that this Congress should perform.

Now I should like to review briefly the events as I understood them in my talk with Mr. Sidener leading up to his being literally denied the right to return to

work, removed as president of the local union, and fined $50,000 by the union.

Prior to the time that Mr. Sidener's local union officially received a telegram ordering the miners back to work, Mr. Sidener received a telephone communication from the United Mine Workers board member of his district, Mr. B. J. Beasley, who advised him that John L. Lewis had just said that the "whistle blew one for Monday."

The meaning of the phrase, "the whistle blew one," can be traced to the traditions in the coal fields where it is customary to blow one whistle when no coal is to be loaded the following day and three whistles when the mine is to load coal the following day.

So actually, according to Mr. Sidener, the telegram ordering the men back to work was in effect canceled before it arrived by the phone call made to Mr. Sidener by Mr. Beasley.

Mr. Sidener has stated that many members in the local union signed a petition requesting a special meeting to find out why they could not go back to work and that approximately 130 of the 207 total membership made an attempt to go back to work.

There were several reasons why these men wanted to go back to work.

First, the men wanted to obey the order of the Federal court of the United States directing the miners to return to work.

Secondly, the economic conditions forced upon the miners through their inability to earn a livelihood caused many to lose their homes, their cars, and many mortgaged their possessions. Many people were in very bad circumstances as can be attested to by the formation of so-called breadlines in the Canton area. It was necessary for many to seek other jobs on the surrounding farms, with the T. P. & W. Railroad section gangs, and in some cases these men had to seek employment in nonunion mines in the vicinity.

After the settlement of the coal strike, Mr. Sidener was charged by the union with attempting to start a rival union. He was never officially or legitimately notified as to the charges filed against him, nor was he notified officially of the actions of the local union.

He was notified, however, through friends and through the press that his local union assessed a fine of $50,000 against him and gave him the opportunity to pay the fine at the rate of $25 a day. Of course, this is ridiculous, for Mr. Sidener could not make that much working 7 days a week with time and a half and double time for all his overtime. He would actually have to pay the union more than what he would receive in wages for the privilege of working.

This is the story of only one man who has suffered from undemocratic action on the part of a labor union. It is, indeed, unfortunate that this kind of thing is allowed to happen in these United States under our Constitution.

During the past year and a half I have served on the Education and Labor Committee I have noted with alarm the increased tendency toward dictatorial control of local union activities by the international officers and directors. This case I have just presented is only one of thousands of similar cases throughout the country. The rank and file of labor union members have realized this fact. They do not like it. They want to belong to a union where they have some voice in activities. They want to vote on and talk over their problems and make their own decisions. But what happens when the little labor man starts to voice his opinion. He is told to shut up—that his welfare is being handled by the big boys higher up. And if he persists in exerting his constitutional rights of free speech, he is ousted from his union, loses his job, is suspended or otherwise beaten down—just like Mr. Sidener was handled when he and his members tried to exert their right to work and their right to local autonomy.

It takes courage to fight for your rights; it takes courage to oppose dictators especially when these dictators have power over your earning power and your very life. But someone must fight this battle if we are to return to the unions the autonomy they once enjoyed. I am glad that there are courageous men such as Lloyd Sidener on our side in fighting this battle.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN], is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements, excerpts and extraneous matter.)

SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, a few days ago President Truman sent to Congress a very fine message on small business. A bill has not as yet been introduced in either House to carry out the President's message. A bill in each House will probably be introduced Tuesday or Wednesday of the coming week that will carry out the provisions of this message.

POINT 1

Point 1 of the President's message relates to insurance of bank loans, a law to provide for insurance on self-sustaining basis of bank loans up to $25,000, but probably mostly $5,000, repayable in 5 years. This will be similar to Federal insurance on loans for home improvements. The bank passes on the loan application, subject only to Federally prescribed standards. No one else will pass on the application except the bank itself. No prior approval by Government will be required. An insurance premium to cover probable expenses and losses will be charged; no Federal expenditure except in the initial appropriation to establish the insurance fund, and ultimately repayable. This is point 1.

POINT 2

Point 2 is national investment companies. They are to be chartered by the Government but privately owned. They are to provide equity capital and long-term loans, also help administer the loan program for small independent enterprises, procure funds from individual investors and financial institutions, also participate jointly with local banks, and should receive tax incentives. In early years the Federal Reserve banks should be authorized to invest in these companies. That is point 2. No Government money at all will be used in the national investment companies in point 2 of President Truman's program.

POINT 3

Point 3, Mr. Truman recommends that the collateral requirements of the RFC on small-business loans be relaxed if actual or potential earnings warrant relaxation. It authorizes increased participation with private banks on small-business loans. One strong point in this is to authorize at least 15-year loans instead of 10-year loans. During the Eightieth Congress, the preceding Congress, the time limit was reduced to 10 years. Mr. Truman asked that that be made at least 15 years. However, there will be no RFC financing if money is attainable from new investment companies, that is point 2, or from the banks, in point 1. In other words, the policy of RFC as in the past is to be pursued in the future, that the RFC will not grant any loan if it is possible for the applicant to obtain loans from private investors. That has been the rule all the time, and it is a good rule.

The RFC has helped a lot of banks substantially. For instance, an applicant would go to the local bank to get a loan. The local bank would not even talk to the applicant but would say, "No, we aren't in a position to grant you a loan, and don't want to go into it."

The applicant goes into one of the 32 different offices in the United States and files application. Maybe the manager of this office in getting his application and going into the facts discovers, "Why, this is a good, bankable loan. Why don't you get it from your local bank?" The applicant says, "Well, I went to the local bank but I was turned down." Then the RFC will get in touch with the local banker and explain to him that it is a good, bankable loan. In many instances the local bank will take the entire loan or, if not the entire loan, will participate to a large extent with the RFC. To that extent the RFC has been a good business-getter for the local banks. It has been very helpful in that respect.

The RFC under this plan of President Truman's will be under the Secretary of Commerce. It will be under the Commerce Department. That is for the obvious reason that the President of the United States cannot deal with too many independent agencies. All these problems and the major questions should come up to him through a Cabinet officer. That will be done through the Secretary of Commerce for the RFC. That does not mean that the RFC will be in a position to be dictated to by the Secretary of Commerce or by President Truman. It will remain the same independent agency that it has always been. Neither the President nor the Secretary of Commerce will have anything to do with the RFC's individual loans, and will only participate, if they participate at all, in arriving at major policies of the RFC.

For instance, RFC money, which is Government money, should not be used for any propaganda of any kind. A major policy should be and doubtless will be, as in the past, that no loans will be made to a magazine company or to a newspaper company or to a radio concern, because they are in a position where they could probably influence public thinking.

Therefore, public money should not be used for that purpose. So the RFC will remain the same independent agency it has always been, but by Executive order the President will transfer it to the Department of Commerce.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MURRAY of Wisconsin. Would the gentleman advise the House as to why it should be in the Department of Commerce and not in the Treasury Department?

Mr. PATMAN. The Treasury Department is not in the business of making loans at all and is not connected with the business affairs of the country like the Department of Commerce. The Department of Commerce is charged with the duty of advising with both small and large business—not just small business, but large business as well. In Mr. Truman's message you will note he said we need large business—big business—just the same as small business. The Department of Commerce is the logical place I think to place this agency, much preferable to placing it with the Secretary of the Treasury. Suppose Mr. Truman were to change it to the Secretary of the Treasury. Think how vulnerable he would be. They would say, "Here is the President putting them both together and just funneling money right out of the Treasury of the United States and turning it over to the RFC to make loans to everybody in the country."

He would be very, very vulnerable, much more vulnerable.

Mr. MURRAY of Wisconsin. The only thought I had in connection with this is that the Treasury Department is the Department which administers or has control of the loans that these banks make. They are the ones that examine the bank.

Mr. PATMAN. No, I think the gentleman is mistaken.

Mr. MURRAY of Wisconsin. Who does, then?

Mr. PATMAN. The controller of the currency, and also the Federal Reserve Board and the Federal Deposit Insurance Corporation, but not the Secretary of the Treasury.

Mr. MURRAY of Wisconsin. Well, then, if we may start all over again, the people who have had control of the credit in the national banks, naturally could work in close harmony with this new setup if they guaranteed the loans, because then it would all be in one department, is that right?

Mr. PATMAN. They will work closely with them because they will examine the banks and naturally the bank examiners will have something to do with the type of loans they make.

Mr. MURRAY of Wisconsin. Is not that the fundamental reason why this proposed legislation has merit because we have had the bank examiner saying that they should get rid of such-and-such a loan because they have been carrying it long enough, yet with the Government insurance they will not be in a position to do that.

Mr. PATMAN. They will have an over-all policy, I imagine, that will make sure the loans are safe and bankable loans, otherwise they will not be accepted. If accepted, of course, they can be taken out of the portfolio.

Mr. MURRAY of Wisconsin. The gentleman knows during the depression that was one of the troubles. We had one Government agency going around to a bank and saying, "You have a bad loan there. You have had it too long. You should liquidate it."

I can give you cases where it was only a matter of four or five hundred dollars.

Mr. PATMAN. I know of cases myself.

Mr. MURRAY of Wisconsin. And then they turn right around and another Government agency says under their formula they would help on a loan up to twelve or fourteen hundred dollars.

Mr. PATMAN. Yes; that is under a different policy. You see, the commercial banks have to be more liquid than these other institutions.

Mr. MURRAY of Wisconsin. I realize that.

Mr. PATMAN. And the other institutions that the gentleman mentioned can safely carry them because they are set up to carry them for a long time. But the commercial banks are not set up that way.

Mr. MURRAY of Wisconsin. If this proposed legislation had been in effect during the depression we would not need to have that working to cross purposes and all the overhead because those loans could have been guaranteed.

Mr. PATMAN. I think the gentleman will find when he sees the bill which will be introduced that it will be just as good as if it were under the Treasury.

Mr. MURRAY of Wisconsin. The only interest I had, may I say to my distinguished colleague, was to try to avoid this working at cross purposes, if this plan is to be put into effect.

Mr. PATMAN. I know that the gentleman is very sincere. He has demonstrated that during the years that he has served in the Congress. His suggestion is very much appreciated. I hope it is considered. If it is better to go in the Treasury, it is all right with me. But Mr. Truman has decided otherwise.

Mr. MURRAY of Wisconsin. I do not want to put my judgment up against the Treasury or the Commerce Department. If it is going to be set up I want it to be set up so that there is some protection to the bank itself.

Mr. PATMAN. I assure the gentleman the bank will be protected.

POINT 4

Now, point 4 is technical advisory services by the Department of Commerce. There is another reason why it goes in the Department of Commerce. This bill will strengthen the technical and managerial office provided by the Secretary of Commerce.

Also, to undertake research on technical problems of interest to small business. Also, development work on new products and new processes. In other words, people who have new ideas have an opportunity to try them out.

These proposals will apply to business fields. The Secretary of Commerce will, in a large way, do for the small business of the country the same thing that the Secretary of Agriculture is doing for the small and large farmers of the country.

POINT 5

Point 5 gives general responsibility for all these new programs, with one exception, to the Secretary of Commerce. Supervision over the RFC will be in the Secretary of Commerce. The reorganization plan will be forthcoming very soon. The exception is national investment companies, to be supervised by the Board of Governors of the Federal Reserve. However, the Secretary of Commerce is to assist in promotion of investment companies, and to advise the Federal Reserve Board concerning investment companies. The present authority of the Federal Reserve banks to make industrial loans is to be terminated, and the $139,000,000 which was turned over to the Federal Reserve Board in 1934 is to be restored to the Treasury.

SHOULD RFC BE LIQUIDATED?

I think this is a long step in the right direction. I know that recently Hon. Jesse Jones, former Chairman of the RFC, made a statement that the RFC should be folded up; it should be terminated; it should be liquidated; it should go out of business. In the event Congress did not see fit to liquidate it entirely, that certainly the 32 local offices should be liquidated.

I find myself in complete disagreement with Mr. Jones. At one time I remember, as a member of the Banking and Currency Committee, Mr. Jones was before our committee and was asking for an extension of the RFC and its powers. The gentleman from Connecticut, a member of the committee, asked Mr. Jones, "How many loans did you make the past year?" Mr. Jones said, "Not a dollar." This Member from Connecticut said, "Don't you think it is a good time to liquidate the RFC? There is no demand for it. You did not have any loans last year."

Mr. Jones' reply was a good one, as his replies invariably were. He said, "If we did not have any loans we need this shotgun in the corner. We don't know when we may need the RFC. We should always have it available to prevent what has happened in the past."

I think his reply was an excellent one. The 32 offices that he was talking about are the local offices, like at New Orleans; Dallas, Tex.; Boston, Mass.; San Francisco, Calif.; Seattle, Wash.; Minneapolis; Chicago—32 all over the country. That makes it easy for the small-business man to go to a nearby office to make his application. Of course, if you abolish those offices you would abolish the principal agency that makes it easier for the small

man to be accommodated. The little man cannot always come to Washington and pay a 5 percenter or 50 percenter to look after his work, although that has never gotten into the RFC, I am happy to say, but they have to have somebody to help them. We must continue to keep those 32 offices so as to accommodate the small-business men all over the country and make it easier for them to get financial assistance when they are entitled to get it and when they have the collateral that justifies it.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield again?

Mr. PATMAN. I yield.

Mr. MURRAY of Wisconsin. We really have a demonstration of the same principle in connection with the Cooley Act, have we not?

Mr. PATMAN. What do you mean by the Cooley Act?

Mr. MURRAY of Wisconsin. Under the Cooley Act, loans on family-type farms are guaranteed to the bank.

Mr. PATMAN. Oh, yes. I thought that was the Pace Act.

Mr. MURRAY of Wisconsin. No. That is under the Cooley bill.

When I was home Eastertime I visited one of those farms in which the local bank has an interest; and I might say that the banks in my State have over 10 percent of those guaranteed loans under the Cooley Act.

Mr. PATMAN. I am glad the gentleman mentioned that.

Mr. MURRAY of Wisconsin. Our people out there stay at home and work together; they do not spend their time fighting you fellows down here in Washington.

The loan is carefully supervised to start with. They do not start the young fellow out on a worthless piece of land. We will say he starts out on 80 acres of good farm land. It will carry a $6,000 loan. There is a precedent for what the President proposes at this time as far as small business is concerned.

Mr. PATMAN. I am glad the gentleman mentioned that, and I look with great favor on that act. I thought the gentleman from Georgia, STEVE PACE, got that bill through. The authorship of the bill does not make any difference to me, but I just knew it as the Pace bill.

Mr. MURRAY of Wisconsin. It is handled under the Cooley Act.

Mr. PATMAN. The local banks can keep these loans 7 or 8 years and then get their money back with interest.

Mr. MURRAY of Wisconsin. That is right.

Mr. PATMAN. So they had a guaranty there. In my section of the country these local banks do not want to carry those loans, but they pool them; they get 10, 15, or 20, and any insurance company will take them off their hands because it is just tailor-made for the insurance companies. The insurance companies do not want to have to deal with each individual applicant; they want several of them grouped together. The banks do that servicing and sell them to the insurance companies, and that makes it a very fine loan and helpful to the farmer.

Mr. MURRAY of Wisconsin. I have no crystal ball to look into the future, but there is considerable sentiment that these chattel mortgages that go along in many cases with these farm guaranteed loans will ultimately end up as guaranteed loans so that the individual farmer does not have to contract all over the United States when he wants to do any business, but he goes to his local bank and follows the same procedure that you propose for the small-business man which, if it is handled carefully, is surely a step in the right direction.

Mr. PATMAN. Yes; and these farm loans that the gentleman has just referred to, I think the reason they have not been more in favor is because farmers have not been able to buy farms on reasonable terms, or they cannot buy the good land that they used to. Something has got to happen, I do not know what, to encourage these people with large land holdings to sell off their land at good prices but in smaller tracts. If that is done, this law that the gentleman refers to will be more effective; but because they cannot buy the little farms now, it is not as effective as we would like for it to be.

I believe that the bill that will be introduced next week by Members in the House and the Senate will carry out the President's program. I believe it will be a long step in the right direction. It is true that the small-business man needs more than just credit; he needs some security and protection as President Truman often points out; he needs protection against economic power that is used to destroy small businesses. I do not oppose big business because it is large, necessarily we will have a lot of big businesses. They are not entitled to criticism just because they are large, but they are entitled to criticism if they are big enough to use their power in a way to destroy small business and they do use their power for that purpose; and if they do that they should be broken up. In fact, I can name you, for instance, the case against the A. & P., which is the most misrepresented case in the newspapers by the paid advertisers I have ever heard of. There is a case where a large concern by reason of its size sold at a loss in 29 percent of its stores. You know what would happen if that were long continued, it would just put the little man out of business; he could not meet that kind of competition. When they are big enough to use their power for that purpose, and do use it for that purpose, something should be done about it.

TESTIMONY BEFORE JUDICIARY COMMITTEE

I am inserting herewith my testimony before the Committee on the Judiciary of the House:

STATEMENT BY THE CHAIRMAN OF THE SELECT COMMITTEE ON SMALL BUSINESS, ON MAY 10, 1950, BEFORE THE SUBCOMMITTEE ON THE STUDY OF MONOPOLY POWER (COMMITTEE ON THE JUDICIARY), IN RESPECT TO H. R. 7905, CONCERNING TREBLE-DAMAGE ACTIONS UNDER THE ANTITRUST LAWS

It was with very great pleasure that I accepted the invitation of your distinguished chairman to appear before you and to present my comments on H. R. 7905, which consolidates various proposals in aid of treble-damage and related actions brought under the antitrust laws and was introduced by one of your own distinguished members, Hon. WINFIELD K. DENTON.

The Select Committee on Small Business, of which I have the honor to be chairman, unanimously supports the general purposes and objectives of this bill, as well as the bulk of its actual provisions. The strengthening of civil damage remedies under the antitrust laws is undoubtedly a change in the right direction. Big firms in particular, which may now violate the antitrust laws with relative impunity—even with the proposed increase of antitrust fines to $50,000—might suffer a change of heart if treble-damage and related remedies had real teeth in them. Moreover, if violations of the antitrust laws should, as many leaders of the business community contend, be regarded as economic offenses, rather than criminal violations, any change in the law, particularly as to damage actions, directed at the violator's pocketbook or balance sheet, is apt to be salutary.

SMALL-BUSINESS COMMITTEE'S FOUR BILLS

It has been the considered opinion of all the members of the Select Committee on Small Business that, however important and extensive your committee's general investigation on antimonopoly might be, there were certain bills of a more piecemeal nature, sponsored by our committee, which deserved immediate consideration by the Judiciary Committee.

The following is a quotation from pages 72 and 73 of the progress report, first session, of the present Select Committee on Small Business:

"No matter how important, however, it is the committee's feeling that investigation and debate on the over-all question of bigness in business and monopoly generally should not serve to postpone action on bills immediately needed to strengthen the existing antitrust laws. An over-all and drastic change in the antitrust laws may never take place. There is respectable opinion, even in antitrust circles, that the basic antitrust laws are fundamentally sufficient and that the deficiency is in the enforcement of these laws and in the funds and manpower for their enforcement. Moreover, even a so-called basic change in the antitrust laws may not only take a long time to enact but itself is apt to be piecemeal, rather than comprehensive and pervasive. Perhaps antitrust legislation and enforcement must of necessity be approached on a pragmatic and piecemeal basis.

"In any event, in the opinion of this committee, there are certain bills which should be acted on by the Judiciary Committee as promptly as possible. Among the bills which, in this committee's opinion, should receive prompt consideration are:

"H. R. 5139, increasing antitrust fines;

"H. R. 4402, removing guilty corporate officials;

"H. R. 5117, authorizing United States to commence treble-damage actions; and

"H. R. 4985, Federal statute of limitations."

It has been a source of real gratification on the part of the members of the Select Committee on Small Business that your committee has seen fit to give its formal consideration to the subject matter of three of the four bills just enumerated, if not formally to the three bills as such.

1. $50,000 FINES (H. R. 5139)

As to H. R. 5139, increasing antitrust fines to $50,000, the Judiciary Committee has reported out H. R. 7827, which does the same thing as our bill and in almost the same terms. Additional provisions, originally contemplated by your committee, were dropped, after I had the honor of presenting my reasons for not including such additional provisions.

2. BARRING CORPORATE OFFICIALS (H. R. 4402)

H. R. 4402, the second bill mentioned in the quotation just read from our progress report, is my bill proposing that corporate

officials convicted of violating the antitrust laws should be barred from serving as such for specified periods. This is the one bill of the four mentioned in the report which, so far as we know, has not received advanced consideration from your committee. We still hope that it will.

If the officer of a big corporation knows that he may be barred from being an officer for a definite period he may hesitate a long time before permitting himself to violate the antitrust laws. And if violations of the antitrust laws constitute an economic offense rather than a criminal offense in the layman's sense, as has been contended, then there should be little objection by guilty corporate officers to a suspension from office, in lieu of a jail term, which the courts do not impose in any event.

This bill received unanimous and bipartisan support from the members of the Select Committee on Small Business. Moreover, the principles embodied in the provisions of the bill were expressly endorsed by the Select Committee on Small Business for the Eightieth Congress, which recommended the following mandatory penalty:

"Persons found guilty of any of the foregoing offenses shall be enjoined from serving as an officer or director of any corporation engaged in commerce in the United States for a minimum period of years. For second offenses penalties should be more severe, and consideration should be given to permanent injunction."

The proposed penalty is analogous to the suspension of a member's rights to a stock exchange seat, by reason of unethical or unlawful conduct, a penalty developed by the business community itself. It is also analogous to suspension or disbarment of an attorney, or suspension of a license to practice medicine. It is, moreover, a penalty with real teeth in it—more so, even, than the $50,000-fine bill which you reported favorably.

3. UNITED STATES AS PLAINTIFF (H. R. 5117)

H. R. 5117, the third on the list in our progress report, is our bill authorizing the United States to commence treble-damage actions, introduced by Hon. EUGENE J. KEOGH. Heretofore, by reason of court decisions, the United States has not been deemed a proper party to commence an action for damages by reasons of violation of the antitrust laws. The present bill, now under consideration by your committee, changes this by providing that the United States may be a party commencing such an action. However, your bill limits the United States to actual damages, instead of treble damages, as with a private plaintiff. While we still feel that the United States should be entitled to treble damages, we favor H. R. 7905, allowing the United States to sue at all, as far as the bill goes.

4. FEDERAL STATUTE OF LIMITATIONS (H. R. 4985)

H. R. 4985, the fourth in our progress report list, as quoted previously is our bill, introduced by Hon. JOE L. EVINS, setting up a Federal statute of limitations for treble-damage actions and making the statute run from the time of discovery of conspiracy. Such a Federal statute of limitations, in place of the various State statutes and running from the time of discovery of conspiracy, is set up by H. R. 7905, now under consideration. However, it does not have the retroactive feature contained in the bill endorsed by our committee.

BILLS 3 AND 4 (H. R. 5117 AND H. R. 4985)

It is the last two of the four bills enumerated in our progress report, as previously quoted, which directly bear on H. R. 7905, the bill now under consideration. These two bills are H. R. 5117, authorizing the United States to sue, and H. R. 4985, creating a Federal statute of limitations. Reference to these two bills makes it possible to give quotations from the unanimous report of the Select Committee on Small Business on these bills which will make available to your committee what is in effect comment of our committee directly applicable to provisions of H. R. 7905, the bill now under consideration.

SMALL-BUSINESS COMMITTEE COMMENT ON SUITS BY UNITED STATES (H. R. 5117)

The first quotation will be from page 77 of our progress report, on H. R. 5117, authorizing the United States to sue in damage actions, although it authorizes treble damages for the United States, which H. R. 7905 rejects. Our report states, in part, as follows:

"There seems to be no good reason whatever why Government procurement agencies, if victimized by price-fixing combinations or other antitrust violations, should not have the right to sue for damages.

"Able lawyers have thought that the Government has this right as a person under the present law, but the Supreme Court of the United States decided otherwise, by a vote of 5 to 3, in *United States* v. *Cooper Corporation* (312 U. S. 600 (1941)). Subsequent decisions seem to have weakened, and at any rate have not strengthened, this decision.

"Nevertheless, it seems more salutary for Congress to act on the matter. Although the bill would permit the Government to collect treble damages, it should be borne in mind that the courts have been very strict in treble-damage actions in requiring that a direct and rather immediate connection be shown between damages sustained and the violation of the antitrust laws.

"The treble-damage civil-action approach is another method of treating antitrust violations as economic offenses. It does not seek to brand offenders as criminals or to send them to jail. It simply provides an economic penalty of sufficient measure to deter wrongdoers. A treble-damage action by the United States is much like a civil action by the Government for a penalty, the amount of which may exceed actual damages.

"This bill gives the armed services and the General Services Administration, including the Federal Supply Service, an adequate retaliatory weapon against competitive prices matched sometimes to six decimal points, whether for cement, steel, or any other product, resulting from anti-trust-law violations by illegal use of the basing-point system or otherwise."

SMALL-BUSINESS COMMITTEE COMMENT ON FEDERAL STATUTE OF LIMITATIONS (H. R. 4985)

There will now follow a quotation from pages 77 and 78 of the progress report of the Select Committee on Small Business in regard to H. R. 4985, the bill sponsored by us proposing a Federal statute of limitations. You will note in this quotation our reference to the retroactive feature, which is not contained in H. R. 7905, and the reason we include the retroactive feature. I quote:

"The primary purpose of this bill, introduced by Mr. EVINS, of the committee, is to insure that there shall be a uniform statute of limitations applicable to all Federal courts so that the statute of limitations in treble-damage actions for antitrust violations shall not commence to run until the plaintiff learns about the conspiracy, provided the plaintiff uses due diligence. The bill also provides for a uniform period of 6 years irrespective of geographical location.

"Because there is no Federal statute of limitations on treble-damage actions at the present time, the law of the particular State applies, which means that not only is there no uniformity throughout the various Federal courts, but also that a plaintiff may lose his day in court because the defendants have succeeded in concealing their conspiracy from outsiders. An example of this is offered by the Burnham Chemical Co., which brought the matter to this committee, eventually leading to the introduction of the bill. It is because of the plight of this company, against which the present applicable statute has already run, that the bill also includes section 2 making it retroactive to a certain extent. The companion bill in the Senate is S. 1910.

"The Burnham Chemical Co. was an independent producer of borax in 1928, having produced 1,427 tons of borax from its Searles Lake Federal lease during that year. It had scarcely started production in June of that year when the price of borax was cut in half, and by the end of 1928 the price was one-third of its normal figure. It naturally lost money on every ton produced and had to close down. It has been trying to get back into business ever since.

"* * * during World War II the Government seized one of the companies, German-owned, in the borax industry, and then discovered for the first time, in the files of this company, a secret written agreement in violation of the antitrust laws. Armed with this evidence, the Government, in 1944, commenced its suit against the so-called borax cartel. The Burnham Co. thereupon brought a treble-damage action, in 1945; however, it has been held, in rather extensive litigation, that the action is barred by the statute of limitations."

MAIN PROVISIONS OF H. R. 7905

Turning directly to H. R. 7905, the bill now under consideration, we find that its provisions can be summarized as follows:

1. Statute of limitations: Under H. R. 7905, section 4 (c) of the Clayton Act, as amended, would provide for a uniform 6-year statute of limitations, and the statute would commence to run from the time of discovery of conspiracy, with reasonable diligence. In addition, under the bill section 5 (b) of the Clayton Act, as amended, would provide that the running of the statute of limitations would be suspended not only as now provided for in the act, but also during the pendency of a civil-damage action by the United States, which is authorized by the bill. This latter provision was not among those recommended by the Select Committee on Small Business, which did not consider the point.

2. United States may sue for damages: Under the bill, section 4 (b) of the Clayton Act, as amended, would permit the United States to sue in a civil-damage action if it is injured in its business or property by reason of anything forbidden in the antitrust laws. As we have seen, however, the United States would be limited to actual damages, whereas our bill permitted the United States to have treble damages, like other suitors.

3. Conclusive evidence: Under the bill, section 5 (a) of the Clayton Act, as amended, would provide that final judgments or decrees in antitrust proceedings commenced by the United States, except in new damage actions, will be conclusive evidence against a defendant in a treble-damage action or a United States damage action. This is in contrast to the present law, the wording of which is presumptive evidence. Our Select Committee on Small Business did not make any recommendation on, nor did it consider, this point; but I fully support the proposal as made in Mr. DENTON'S bill.

SPECIFIC COMMENTS ON H. R. 7905

Reviewing the three major changes made by H. R. 7905, as just outlined, the following may be said:

1. Statute of limitations: I, together with the other members of the Select Committee on Small Business, am in hearty accord with the bill's proposed amendment to the Clayton Act providing for a uniform statute of limitations of 6 years, for treble-damage or United States damage actions, commencing to run from the time of discovery of conspiracy. This accords with H. R. 4985, approved unanimously by our committee.

It is perhaps regrettable that the bill does not include the particular retroactive feature

included in our bill, but, all things considered, I am not disposed to press the point.

It might be noted, also, that I am in accord with the addition to the present tolling provision proposed by the bill, whereby the statute of limitations will be tolled during the pendency of a United States damage action, as well as other actions by the United States, as provided for under the present law.

2. United States may bring damage actions: All of the members of the Select Committee on Small Business, including myself, are, as reported in our progress report, in strong accord with the bill's proposed amendment to the Clayton Act authorizing the United States, as well as private persons, to commence a civil-damage action for damages sustained by it as the result of antitrust violations. This accords with H. R. 5117, unanimously approved by our committee.

However, it does seem regrettable that the present bill limits the United States to actual damages, instead of permitting treble damages, as does our bill. The main justification for penalty damages is the same, whether a private person is injured or the United States is injured. A violator causing damages to the United States on a large scale should not be treated more leniently than a violator causing damages to a private person on a smaller scale. Experience shows that the courts have been very strict in assessing damages in treble-damage actions, in any event. I am therefore taking the liberty of recommending that the bill under consideration be amended so as to allow treble damages to the United States.

3. Conclusive evidence provisions: I am in hearty accord with the amendment proposed by the bill whereby a final judgment in a proceeding brought by the United States, except a damage action, will be conclusive evidence in a treble or United States damage suit, instead of presumptive evidence. I cannot speak for the Select Committee on Small Business on this point since the proposal has not been brought before it, although my feeling is that our committee would support this proposal.

COST OR COSTS

In examining the bill under consideration, I note that proposed section 4 (a) of the Clayton Act—which your analysis of March 29 states is "virtually a reenactment" of section 4, the present provision—does contain what might be construed by the courts to be a vital change. The proposed subsection provides for treble damages, plus the "costs" of the suit and attorney's fee, instead of treble damages plus the "cost" of the suit and attorney's fee, as now provided for in section 4 of the Clayton Act.

That the word "cost" is the one used in the present provision of the Clayton Act can be verified by referring to the Statutes at Large and 38 Statutes 731 in particular. The word "costs" is used, it is true, in the comparable provision of section 7 of the Sherman Act (26 Stat. 209, 210), which, however, has in effect been superseded by section 4.

As applying to the expense of a legal suit, including attorney's fees, you will no doubt agree that "cost" is the better and more accurate word. There are many cases distinguishing between "cost" and "costs" of a legal suit. The term "costs" tends to be limited to actual legal costs, which are quite small under our American legal system. "Cost" of suit, however, is generally construed to include the actual expense of the suit, including attorney's fees.

Inasmuch as the present operating provision, section 4 of the Clayton Act, actually uses the word "cost," and inasmuch as this is also the preferable word, it is my respectful recommendation that the present bill be amended so as to change the word "costs" on page 2, line 3, to "cost."

It may also be noted that I am, of course, in agreement with the bill's repeal of section 7 of the Sherman Act which has already been in effect superseded by section 4 of the Clayton Act, as already stated. This recommendation, as are my other recommendations, is subject to any possible technical objection arising out of the discarding or changing of tested statutory wording which might be raised by the Department of Justice.

ROBINSON-PATMAN ACT

Section 3 of the bill under consideration provides that the term "antitrust laws" has the meaning assigned to it by the first section of the Clayton Act. In and of itself this is a salutary provision and in the interest of uniformity.

However, it happens that section 3, the criminal section of the Robinson-Patman Act, was not, under the terms of that act, made an amendment to the Clayton Act. Moreover, section 3 of the Robinson-Patman Act has never been added to the list of laws designated as "antitrust laws" in section 1 of the Clayton Act .

It is true that criminal proceedings pursuant to said section 3, for violation of the sections of the Robinson-Patman Act which do not amend the Clayton Act, have been rare. However, the law is on the books and, I am reliably informed, at least two prosecutions under section 3 of the Robinson-Patman Act were commenced fairly recently.

It is my recommendation, therefore, that section 3 of the present bill, relating to the definition of "antitrust laws," be amended so as to amend section 1 of the Clayton Act by including section 3 of the Robinson-Patman Act (49 Stat. 1526, 8) in the definition of "antitrust laws," as used in the Clayton Act.

If you agree with my recommendation, then section 3, the criminal provision of the Robinson-Patman Act, will have a direct application to treble-damage actions and will be connected with all other Clayton Act matters where the act refers to antitrust laws. There is no reason why section 3 of the Robinson-Patman Act should not have this application.

Of course, this proposal to define section 3 of the Robinson-Patman Act as covered by the term "antitrust laws" could be accomplished by a separate bill to amend the Clayton Act. However, in the interest of expedition it might well be done in the present bill.

SUMMARY

By way of summary, it may be stated that H. R. 7905 is recommended for approval by your committee, with some qualifications, the major of which are the following:

I. Add the words, "including the United States," after "any person," page 1, line 8. This will result in giving the United States treble damages, not merely actual damages. Also strike out new proposed section 4 (b), page 2, lines 5 to 11, as being accordingly unnecessary. Also strike out "(including an action brought by or on behalf of the United States)" on page 2, lines 12 and 13 and lines 19 and 20, as also being no longer necessary—i. e., if "including the United States" is added as here recommended.

II. Strike out "costs" on page 2, line 3, and substitute "cost."

III. Rephrase section 3 on page 4 so that the definition of "antitrust laws" will include section 3, the criminal section of the Robinson-Patman Act.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

(Mr. LANE asked and was given permission to revise and extend his remarks and that following his remarks made under special order, he may include a brief by the Honorable Paul A. Dever, Governor of the Commonwealth of Massachusetts, on the same subject.)

NATURAL GAS FOR ALL OF US EXCEPT NEW ENGLAND

Mr. LANE. Mr. Speaker, that is the story, at the moment, as the coal and railroad interests pull wires to hold back this economic first-aid from New England, which is the only remaining industrial area in the Nation that does not enjoy the benefits of this cheap fuel.

They are not satisfied with the fact that both householders and industrial users in the six northeastern States are now penalized by the highest electric-power rates in the Nation. They want us to labor under the additional burden of also paying the highest rates for fuel.

A Federal Power Commission hearing is now under way in Boston on the application of the Northeastern Gas Transmission Co. for a certificate of convenience and necessity that will permit it to bring this sorely needed fuel to the relief of New England's homes and factories.

The monopolists do not want this, or any other trunkline company, to upset the status quo controls with which they are bleeding the economic strength and enterprise of our region.

Natural gas, which is one-third as cheap as manufactured gas, is asking for permission to push its pipelines into New England, but the spokesmen for other fuels are trying to block this progressive move under a smoke screen of confusion.

We can begin to enjoy the blessings of cheap and plentiful natural gas by next winter if the Federal Power Commission is not fooled by the obstructive tactics of those who fear fair competition.

I hold no brief for any one company, but I do plead for the right of New England housewives and manufacturers to have access to this low cost, abundant, and convenient fuel before living costs and industrial costs overwhelm them.

I repeat, producers and consumers alike are being squeezed by prohibitive electric power costs on one side and by fuel costs which are also the highest in the United States. We must have relief.

The effective utilization of our water-power resources through a public program of development is inevitable, but it will take time. In the meantime we can get ample supplies of natural gas this year to ease the handicaps under which we are operating if the FPC gives the green light to the new fuel.

Our Federal Union will be "Balkanized" if the Government of the United States persists in a policy of developing every other region except New England. This first area of the Nation to become industrialized is now last when it comes to sharing the benefits of public power and natural gas. And the injustice of the situation is that the Northeastern States have been overtaxed to bring backward areas up to a level with New England and then to surpass it. We are being taxed to price ourselves out of the market.

If there is to be reciprocal trade here at home, among the 48 States, the Fed-

eral Government and its agencies must deal fairly with New England.

That we are actually suffering from discrimination is revealed by these two brutal facts:

First. Due largely to public power developments elsewhere, the cost of purchased electric energy in manufacturing industries in Massachusetts is higher than any other State in the Union, closely followed by Connecticut, Rhode Island, Vermont, and New Hampshire in that order. Only Maine, which does not export the hydroelectric energy from its plentiful water-power resources, enjoys a low cost-per-kilowatt-hour that enables it to compete on a fair basis with every other State outside New England.

Second. As the one remaining region still unserviced by natural gas, our fuel costs are also the highest in the Nation. Compared with the West South Central States, they are 215 percent higher.

Fuel and electric supercosts force industries to migrate from New England and discourage the expansion of existing ones or the creation of new enterprises. And they raise the living costs of consumers to the point where left-over income suffers by comparison with more highly favored regions.

The use of gas is vital to such major New England industries as textiles, plastics, printing and publishing, paper and allied products, machinery and metalworking, food processing, radio tubes, television, radar equipment, electrical equipment and appliances, and the manufacture of electrical machinery. The high cost of manufactured gas and electric power put our industries at a competitive disadvantage which narrows the margin of profit. This in turn leads to increasing unemployment which is the penalty we are forced to pay because, for some strange reason, our problems do not capture the fancy of the academic planners in Washington.

But I should like to serve notice on them that we in New England are not going to take a back seat on this issue. We do not come hat in hand, to plead for help in saving our present industries. We need these, of course, but we have set our sights on an expanding economy for our region, and we are determined to share in those new sources of fuel and power that will make it possible.

It is imperative that we have access to adequate supplies of natural gas without further delay.

We in New England are fed up with promises that are not followed through with effective action.

If the Federal Power Commission should fail to approve of a life-giving pipeline to our economy, we shall have but one recourse left, and that is for the entire New England congressional delegation to band together in a tight, cohesive unit that will vote as such on all issues with but one thought in mind, and that is to fight for the welfare of our region before every other consideration, national or international.

The talking stage is over.

We need and want natural gas as a starter, not in some vague, post-election period, but this year.

Mr. Speaker, I wish to include herein an economic brief by the Honorable Paul A. Dever, Governor of the Commonwealth of Massachusetts, regarding natural gas for Massachusetts and New England.

OUR NEED FOR NATURAL GAS IN MASSACHUSETTS AND NEW YORK

(Economic brief filed by Gov. Paul A. Dever, of Massachusetts, before Federal Power Commission)

I. THE UNNECESSARY BURDEN CARRIED BY THE CONSUMING PUBLIC OF MASSACHUSETTS

In my inaugural address to the General Court of Massachusetts on January 6, 1949, I emphasized the fact that "we have witnessed an ever-growing and increasingly crushing burden on the wage earner due to the rising cost of the necessaries of life. The prices of food, fuel, and clothing have continued to rise above limits already intolerable. Gas, electricity, telephone, and transportation exact more and more dollars from the already overburdened weekly pay check. In the case of these latter, numerous petitions for additional increases in rates are presently pending, and each day brings more demands for still further increases." A year later, in my annual message to the general court, I called attention to the several respects in which the economic position of the wage earner has deteriorated during the course of the year. This deterioration is especially marked with respect to fuels and public-utility services. Within the last 12 months the prices of some consumer goods remained constant while others actually decreased. But fuel prices and utility rates continued their seemingly irresistible advance. When it is recalled that these increases are added to the highest fuel and electric costs of any area in the United States, it then becomes apparent that immediate and decisive action must be taken to correct a situation which long since has passed the bounds of the tolerable.

Both in my inaugural address and annual report I recommended the enactment of legislation to establish a revitalized Commission on the Necessaries of Life. I proposed that the new Commission should begin an immediate investigation of the possibilities of bringing into this Commonwealth by means of a pipeline a sufficient amount of natural gas to effect reductions in the price of gas. With the passage of time, the need for natural gas becomes, if possible, more urgent. The unhappy consequences for Massachusetts' consumers and industries resulting from the present exorbitant cost of fuel necessitate my personal intervention before this Commission to petition that authority be granted at once for the transmission of natural gas to the Commonwealth of Massachusetts.

The direct savings of millions of dollars to be realized by the consuming public through first checking and then reversing the present trend of gas rates are obvious. Nor is this the only gain to be derived by our consumers from the introduction of natural gas. The freedom of the individual consumer to choose for himself is as basic a condition for the existence of a democratic economic society as is the freedom of the individual voter to choose among rival political candidates a condition for the survival of political democracy. Political democracy is destroyed when the voter finds, as he does in so many dictatorial countries, that there is but one name on the ballot. In exactly the same sense economic democracy loses its meaning when the consumer finds that the number of alternative goods and services from which he may choose is arbitrarily restricted by the monopolistic actions of government or business. For all practical purposes the consumers of our State have no real freedom of choice with respect to fuels for home heating purposes. Gas rates are so high that only the wealthy can use gas for this purpose. This situation reminds me of the days when the right to vote was restricted to men of property. We in Massachusetts have observed how frequently consumers in other States, when allowed the choice, express a preference for gas over other fuels. We believe that the cleanliness and convenience of gas will exercise a similar appeal to our consuming public. In any case, it is the individual's prerogative in a democratic society to decide this issue for himself. The welfare of our consumers is not advanced when either business or government makes the decision for the individual. The withholding of natural gas from the consumers of Massachusetts is an arbitrary, monopolistic restraint upon economic freedom. It cannot be defended on any grounds that are compatible with the conditions required for a healthy economic society.

II. HOW THE INCREASED AVAILABILITY OF GAS WOULD AID MASSACHUSETTS INDUSTRY

It is sometimes asserted that only the consumer would benefit from the transmission of natural gas to Massachusetts. The charge comes, of course, from those interests which wish to continue to deprive our consumers of the right to use gas. But even if the assertion were correct, it would nevertheless provide adequate support for our petition. In the final analysis the sole purpose of economic activity is the creation of more benefits—a higher living standard—for the consuming public. However, the needs of the consumer are integrated with the needs of Massachusetts industry. Our citizens cannot enjoy the living standards to which they aspire if industry in our State continues to be deprived of the opportunities that would arise from a more adequate and less costly supply of gas. Our manufacturers have expressed their views on this subject in clear and unmistakable fashion. We refer to the responses given to a questionnaire sent out to 633 New England manufacturers by the Federal Reserve Bank of Boston. The purpose of the survey was to determine what factors in New England constitute an important advantage or disadvantage to our manufacturers in their competition with producers located elsewhere. Of the strictly economic factors, three were considered by the manufacturers to be the greatest net disadvantages of a New England location. These disadvantages were the costs of fuels, transportation, and electric power. These were the greatest handicaps to our producers in their attempts to survive in competition with manufacturers located in other areas. The rapid spread of natural-gas pipelines to all other major areas of the Nation constantly increases the competitive disadvantages suffered by Massachusetts producers.

The need of Massachusetts industry for an increased supply of gas at lower cost is evident not only from the direct testimony of our manufacturers but is demonstrated as well by our industrial history for the last 30 years. During this period the industrial structure of the Commonwealth has been subjected to constant change. Certain aspects of this revolution in the pattern of our industrial life create profound problems. Two of our principal industries—textiles and leather—have steadily reduced the amount of employment they offer to our workers. The decline of these major industries continues into the present. Within the last 12 months 10,000 jobs were lost in the city of Fall River alone. This was not merely a temporary loss of employment occasioned by a momentary decrease in business activity. The transfer of textile operations to other areas means that these jobs are lost forever. New Bedford and other cities heavily dependent upon textiles or leather have suffered comparable losses. In 1949 a contraction in new textile

and shoe orders produced large-scale unemployment throughout Massachusetts and New England. The number of applications for compensation and relief exceeded those in any other area of the country. This is a vicious circle. Should unemployment develop, then Government expenditures and taxes would rise as a result. Higher taxes do not encourage the establishment of new plants or the expansion of existing ones. These are some of the features of a problem with which we in Massachusetts have lived for a long time.

Fortunately the transformation of our economy has a brighter side. Over the years the employment lost through the contraction of some of our basic industries has been offset by the expansion of other industries. Only by the continuation of this process can we hope to absorb in new employments the workers who must find other employment due to the long-run readjustment of our industrial structure. For this reason we must improve the locational advantages of Massachusetts in every possible way. Among the specific improvements which can be made immediately is an increase in the supply and a reduction in the cost of gas.

I want to illustrate in very specific terms the role gas plays in the industrial development of Massachusetts. Our metal working and machinery industries have their origins in the colonial period. Throughout the decades they have grown steadily until today they are a major employer of workers in our State. In a hundred different ways these industries use gas as a tool in manufacturing operations.

In the 1880's the manufacture of electrical machinery and equipment was initiated in the Thomson-Houston plant in Lynn. It was from this plant, under the guidance of Massachusetts businessmen, that the General Electric Co. developed. One cannot state fully all the benefits derived by our citizens from the growth of the electrical manufacturing industry. Today thousands of our workers are dependent upon it for employment and thousands more benefit from it in a less direct fashion. Gas plays a very important part in the production operations of this industry. Had it not been for the high cost and limited availability of gas our share of the industry would be even greater than it is. Various branches of the industry located in other sections due to superior fuel advantages there.

Printing and publishing is a major Massachusetts industry. Through the years it has enjoyed a slow but steady growth. Its high-speed rotary presses employ gas for drying purposes. Our paper industry, one of the oldest and most substantial industries in the State, is now exploring the possibilities of gas for drying purposes. This application of gas has been proved successful in other areas. To this list of major Massachusetts industries can be added many others that are engaged in the preparation of food, the manufacture of instruments, the production of plastics, and so on virtually without limit.

In a very real sense the industries singled out for special reference may be said to have saved the Massachusetts economy from catastrophe. These are the industries whose development has filled the gap left by the gradual decline of the textile and leather industries. They have provided employment for thousands of workers who otherwise would be unemployed or forced to migrate to other areas. We in Massachusetts are most grateful that the gap was filled. It is a fundamental objective of our policy to provide our industries with every possible advantage so that they may continue to grow and prosper in Massachusetts. We cannot conceive how ever-rising gas rates are consistent with this objective. We have every confidence that the leather and textile industries will be stabilized in their Massachusetts location. Our shoe industry, although it employs fewer workers than in years past, produces more shoes with a greater market value than in any previous period. Today, it is a more productive industry and as a result is much better prepared to survive the competitive struggle. Through the years the woolen industry has demonstrated that it is well adapted to its present location. Nylon, orlon, and other new materials give every promise of stimulating output and unemployment in mills formerly devoted to cotton textiles. The expansion of our rayon production in recent years suggests the potentialities of the newer materials. For many years gas has been an indispensable tool in the singeing of cloth. Revolutionary and highly productive innovations in the drying of cloth are currently being introduced in the textile industry. We are resolved, since gas can be used in these new operations, that the producers in our State shall not suffer due to the unattractive terms upon which gas is presently available.

Up to this point I have referred only to well-established industries which have been with us for many years. With the end of the war, a whole new era began in Massachusetts. Let us look at some of the industries which are now emerging as important elements in the State's economy. We have firms pioneering in the construction of instruments for control engineering. One firm launched the production of an entirely new line of products which includes polaroid glass, a radically different kind of camera and a new type of film. A Boston concern was the first to find industrial applications for atomic materials and now manufactures instruments and chemicals in the field of radioactivity. Other companies are pioneering in the development and manufacture of electrostatic generators, precision research apparatus for nuclear physics, spectrochemical instruments for the chemical analysis of metals and gases, improved types of flexible tubing, high precision mechanical, hydraulic, and electrical devices, radar equipment for industrial and domestic use and many other novel products of which the public is not yet aware. In some of the new industries gas is preferred to other fuels because of its convenience and control features. In other instances, gas is an indispensable agent in the production process. It must be used regardless of cost.

The significance for Massachusetts of these postwar industries is beyond expression. Not for a moment can we tolerate the thought that they might move elsewhere due to the unfavorable fuel situation in our State. Immediate and favorable action upon an application for the transmission of natural gas is the best guaranty that we can have that these industries will not transfer their activities to other areas.

Through these brief illustrations I have attempted to convey an idea of the extent to which gas is needed in Massachusetts industry. By this limited means we cannot adequately measure the full extent of our need for larger and less expensive fuel supplies. The full measure of our need becomes apparent only when viewed in terms of the long-run transformation of our industrial structure. This transformation has brought with it the basic problem of developing new industries to replace declining ones. Failure in this venture means that a substantial proportion of our citizens might have to migrate to other areas or go unemployed. Here we have the basic and compelling need to improve the locational advantages of our State. Here, also, we have the most fundamental expression of the need to improve the fuel situation in Massachusetts.

In no other area of the Nation has there yet occurred the far-reaching industrial transformation we have experienced in Massachusetts for the last 30 years. Consequently our problems are not always understood by persons from other areas. I have, therefore, devoted the following sections of this petition to a more detailed analysis of the nature of our basic economic problems and to an explanation of their causes.

The economy of Massachusetts is integrated with the economies of our neighbor New England States. A list of the 10 major New England manufacturing industries coincides exactly with the 10 major industries of Massachusetts. Industries cross State lines, as do the operations of individual companies. Our centers of population are frequently dispersed over State borders and are dependent upon common industries. The Providence-Fall River-New Bedford metropolitan area, for example, contributes to the welfare of both Rhode Island and Massachusetts. For all these reasons, we have made repeated references in the following sections to the other New England States.

III. THE BASIC MASSACHUSETTS PROBLEM

We have indicated how for the last 30 years the Massachusetts economy has been undergoing a process of profound structural change. During this period major Massachusetts industries have fallen from their former preeminent positions. In these industries there has been a substantial decrease in the number of operating companies and a resultant loss of employment opportunities for our citizens. However, over the same period of years, many new industries developed and these provided new opportunities to replace those lost through the decline of the old industries. In terms of employment the forces of growth and expansion have on balance more than offset those of contraction and decline. As a result more persons are employed in all Massachusetts industry today than were employed 30 years ago. Despite this currently happy outcome the outlines of the basic Massachusetts problem are clearly evident. If for any prolonged period of time, the forces of contraction should prove more powerful than those of growth, then Massachusetts must be prepared to face the inevitable consequences. Should this possibility prove to be a reality, we would have either a large volume of unemployment or a large scale migration of our citizens to other areas. Neither of these alternatives is acceptable to us. It is for these reasons that we in Massachusetts welcome any new development which promises to expand the range of industrial opportunity available to Yankee enterprise. To the extent that any new development promotes the forces of expansion on the one hand or reverses those of contraction on the other it will contribute to the solution of the basic, Massachusetts problem.

Employment trends in Massachusetts and New England

An idea of the magnitude of the problem created by the secular contraction of selected manufacturing industries can be obtained from a study of the employment situation in the textile, leather and lumber industries. In 1919 these three industries afforded employment to approximately 685,000 persons in New England. By 1949 less than 375,000 individuals found employment in the combined industries. During this period employment opportunities in textiles, leather and lumber were extinguished at an average rate of 10,000 a year. Between 1919 and 1939 employment in all New England manufacturing industries decreased from 1,509,000 to 1,121,000, a net loss of jobs at an average rate for the period in excess of 19,000 a year. A part of this total loss can be traced to the lower level of business activity in 1939 which characterized the Nation as a whole as well as the New England States. Nevertheless, as the employment figures for 1949 indicate, at least half of the loss in manufactur-

ing employment in our area is due to the long run decline of activity in textiles, leather, lumber and other industries. By 1947, due in part to the stimulus of war and postwar conversion, total manufacturing employment in New England had risen considerably above the 1939 level, although it still fell short of the volume achieved in 1919. Employment in all manufacturing industries has again declined from the high 1947 level. In January, 1950, approximately 150,000 fewer jobs were available in manufacturing than had been provided in 1947.

Among the New England States, Massachusetts is the largest employer of manufacturing labor. Between 1919 and the present employment trends in Massachusetts conformed to the general New England pattern. However, the severity of the decline in the volume of manufacturing employment between 1919 and 1939 was markedly greater in our State than in the rest of New England. Whereas employment in this period decreased by 19 percent in the other New England States, it fell by 31 percent in Massachusetts. The net effect of these decreases was to reduce the Massachusetts share of the total New England manufacturing population. Fifty-three out of every 100 New England manufacturing employees—as opposed to employees in all industries—were engaged by Massachusetts concerns in 1919, while 49 out of every 100 were so employed in 1939. In this period the greater part of the burden of adjusting to the dislocation of the textile and leather industries fell upon Massachusetts. Contraction in the Massachusetts branches of these industries was the primary cause of the greater severity of the fall in our manufacturing employment. Between 1939 and 1947 employment recovered by approximately the same percentage amount (32 percent) in our State as in the other New England States. Since the latter date manufacturing employment has fallen off by somewhat less than 10 percent both in Massachusetts and New England.

There is a second aspect to our problem of maintaining full employment in New England. Each year, as a result of population growth, new additions are made to the New England working population. Between 1920 and 1946 employment in all New England nonagricultural industries—manufacturing and nonmanufacturing alike—rose at an average rate of approximately 32,000 annually. This figure does not measure the total yearly increase of new workers, for in stated years all those seeking work were not successful in finding it. The figure may be taken as a minimum estimate of the annual increase in our working population on the assumption that no substantial change occurs in the rate at which our population grows.

The basic Massachusetts problem would be complicated enough if it consisted of nothing more than creating a sufficient number of jobs to absorb each year's supply of new workers. But, as we have seen, we have the additional task of providing for the reemployment of those workers who have lost their jobs because of fundamental changes in the industrial structure of our economy.

The persistent challenge to the ingenuity of the residents of Massachusetts is how to create adequate employment opportunities for the thousands of workers who annually seek employment. Our community is fully aware of the extent and seriousness of the challenge. For many years individuals, business associations, community groups and Government organizations have sought to create conditions more favorable to the development of new concerns and industries in this region. On balance these efforts have been successful. Massachusetts has much to offer new enterprises. In response to these advantages, companies from other areas have moved here or established branch plants. Within Massachusetts many new industries have been created. While we are fully cognizant of the attractiveness of our State as an industrial location, we are aware also of the fact that all attempts to foster the industrial development of our area confront and, in some cases, are limited by certain immutable physical factors. Among these are two of particular importance. Massachusetts is not richly endowed with many of the raw materials required in important sectors of modern industry. Geographically our State is not advantageously placed with respect to the sources where some of these raw materials must be acquired. The existence and importance of these factors make it imperative that everything possible be done to improve Massachusetts' position with respect to those other factors over which a degree of control can be exercised. Every effort must be directed toward minimizing the relative disadvantages suffered by Massachusetts as compared with other areas. A concerted attempt must be made to broaden the range of industrial opportunity open to the Massachusetts producer.

The significance of natural gas to the Massachusetts economy

It is with respect to these imperative necessities of the Massachusetts economy that the proposed introduction of natural gas derives its fundamental significance. Natural gas, as such, will not give this region an advantage over other areas. At best its introduction is merely a step in the direction of correcting existing disadvantages. Other sections of the country have enjoyed the benefits of natural gas for many years. More recently these advantages have been conferred upon all other areas of the Nation with the sole exception of New England. In particular, the introduction of natural gas into the Middle Atlantic States, where many of our most active and direct competitors are located, constitutes a real threat to the stability of employment in Massachusetts industry.

The importance of natural gas as a means of increasing the range of industrial opportunity in Massachusetts cannot be fully determined at this time. Evidence has been presented to illustrate the utility of gas in various regional manufactures. I have no doubt that a considerable volume of additional testimony could be offered to demonstrate how known gas technology could be applied in our industries once an adequate supply of gas is made available. But such testimony would not bring out the full potentialities this fuel holds for our economy. I have no sympathy for the contention sometimes made that gas in Massachusetts has only a very limited industrial use. At one time or another exactly the same argument was made with respect to coal and oil. I feel reasonably certain that 90 years ago Colonel Drake, upon initiating the commercial production of oil in America, never visualized more than a very small part of the tremendous industrial developments that were to result from his discovery. I doubt that the imaginative horizon of any of his contemporaries was any broader. Today the industrial applications of atomic energy are largely unknown. Yet there are few persons who would argue that the development of atomic energy in all its aspects should be abandoned.

In estimating the industrial possibilities inherent in natural gas, allowances must be made for all the new uses which may be found for it within the unique New England industrial structure. It is highly unlikely that other areas with their different industrial structures have developed and exploited all the possible uses of gas. While from nature our area has inherited locational and resource disadvantages, through science our States have acquired important advantages. The university and industrial laboratories of Massachusetts make this the research capital of the world. They create new techniques and products on a scale which is not surpassed in any other State of the Union. Of all the benefits promised by the increased availability of gas in Massachusetts, none is of greater significance than the prospect it holds of expanding the range of industrial opportunity open to Yankee enterprise.

IV. THE CHARACTERISTIC MANUFACTURING INDUSTRIES OF MASSACHUSETTS

A more detailed understanding of why the introduction of natural gas is so important to the stability of the Massachusetts economy can be obtained from an analysis of the structure of our economy. A comparison between the United States and Massachusetts shows that in Massachusetts the percentage of all employees engaged in manufacturing industries is very much higher than for the Nation as a whole. The large percentage of the work force occupied in manufacturing is the most characteristic feature of our economic structure. Table 1 presents the percentage distribution among 10 principal industry groups of employed persons in the United States and Massachusetts for the year 1940. Comparable data are also given for the other New England States. From the statistics of table 1 it can be seen that 23 out of every 100 employed persons in the United States are engaged in manufacturing activities while 19 out of every 100 employees are occupied in agriculture, forestry, and fishing. In contrast, 37 out of every 100 Massachusetts employees derive their salaries or wages from manufacturing occupations whereas only 3 out of every 100 are similarly dependent upon agriculture, forestry, and fishing. The exceptional degree of our dependence upon manufacturing explains why we must do everything within our power to maintain the competitive strength of these industries.

Table 2 ranks the major manufacturing industries of Massachusetts according to their relative importance in the economy of the State. The measure of importance is the one used previously; namely, the percentage of all employed persons in the State that is engaged in the given industry. For comparative purposes there is placed to the left of each industry group the percentage for the United States as a whole.

An examination of the information contained in table 2 suggests that a broad distinction may be drawn between the industrial structures of southern and northern New England. In the southern New England States, the machinery, metallurgical, and transportation equipment industries form an important part of the industrial structure. In the northern New England States a group of substantial manufacturing industries is based upon forestry products. Thus the paper, logging, furniture, and lumber industries absorb 10.4 percent of Maine's employed population, while in New Hampshire and Vermont 9.1 and 6.4 percent, respectively, of the employed populations are so occupied.

The industrial structure of Massachusetts shares the characteristics of its neighbor States. Throughout all the New England States one ubiquitous industrial pattern is encountered. Either the textile or the leather industry is the first or second most important industry in every State with the sole exception of Connecticut where textiles rank fourth in importance.

We noted previously the major decline in the volume of manufacturing employment which occurred in Massachusetts during the period 1919–1939. In that period employment contracted by 32 percent or at an average rate of 1.6 percent annually. Over the 20-year period employment opportunities were lost at a rate of more than 12,000 a year. The greater part of this loss can be

traced to the decline of our textile and leather industries. Yet, even following the drastic liquidation of textile and leather concerns, these industries remain as the principal sources of wages and salaries for Massachusetts employees. Our past experiences have demonstrated to us the disastrous possibilities inherent in the delicate balance between the forces of economic expansion and contraction in Massachusetts. We were reminded of these unpleasant possibilities in 1949 when large scale unemployment developed in the textile and leather industries. Our changing industrial structure creates the need for offsets to the threatening flood of unemployment whose source is to be found in the declining industries of our State. Any new supply of materials or fuels which can be made available to New England in greater quantity or at a lower cost must be welcomed for the prospect it holds of widening the range of industrial opportunity.

V. COMMON CHARACTERISTICS OF MAJOR MASSACHUSETTS AND NEW ENGLAND MANUFACTURING INDUSTRIES

Not every type of industry can locate in Massachusetts or New England and hope to survive. As a general rule, industries which consume large quantities of raw materials—as opposed to semi-manufactured materials—will not find that this is an advantageous location. The reasons for this have been mentioned before. Our area is not richly endowed with the raw materials of modern industry. Industries in other areas are better situated with respect to supplies of raw materials and, consequently, enjoy a relative advantage in transportation costs. The data of table 3 provide a basis for ascertaining the common characteristics of the major manufacturing industries. The industry groups listed therein are those used in the census of manufacturers. In the first column information is provided on the ratio of the cost of materials to the value of product for each industry in the United States. For all industries material costs amount to 56.6 percent of the value of products. Each industry is ranked in the first column according to the ratio its material costs bear to the value of its products. Thus in the industry designated products of petroleum and coal material costs constitute 77.1 percent of the value of the product while in the printing and publishing industry such costs amount to only 31.5 percent of the value of the product. From this column we can determine the relative importance of material costs to the several industries of the United States. By comparison we can discover the extent to which Massachusetts and New England industries are heavy, light or average consumers of materials.

Nine major New England industries are indicated by the letter "X" in the second column of table 3. In January 1950, these nine industries accounted for 76 percent of all Massachusetts manufacturing employment and for 71 percent of such employment in New England. The proportion of the Massachusetts working population employed in each of these industries exceeds the national average. (See table 2.) With the exception of the food industry, the same condition holds for New England as a whole. The data presented provide the basis for a number of conclusions concerning the characteristics of the major Massachusetts and New England industries.

The major Massachusetts and New England industries as indicated in the second column of table 3 divide into two groups. Those in the first group have the common characteristic that the ratio of material costs to value of product is above the average ratio (56.6 percent) for all industry groups in the United States. With the exception of the leather industry they share a second characteristic. The food, apparel and paper industries derive their principal materials from local New England sources. Locally supplied pulp wood is available to the paper industry. The food industry processes the raw milk, fruits, vegetables, poultry and fish produced by New England agriculture and fisheries, and the apparel industry completes the fabrication of semimanufactured goods derived from the textile industry. One other factor plays an important role in the location of the food industry. The production of bakery products is necessarily oriented with respect to the final market for those products. Only the leather and leather products industry appears as an apparent exception to these locational principles. Actually, it is not an exception for the industry has been in a period of decline for over 30 years.

The second group of major Massachusetts and New England industries have very low material-value ratios. They are also the expanding industries of the area. While materials imported from other regions are used in these industries, the materials constitute a relatively small part of the value of the products produced. The material-value ratio in the textile industry approaches more nearly the ratios prevailing in the first group. The raw materials are derived almost exclusively from other regions. All available data support the conclusion that a condition for an industry's survival and expansion in Massachusetts and in the other New England States is a comparatively low material-value ratio, unless local raw materials can be relied upon or unless the product is necessarily oriented toward the ultimate consumer. Changes in raw material sources and technology can alter the effect of these general conclusions. New technical processes may reduce the transportation disadvantage of our location with respect to raw material sources. The development of new raw material sources—particularly when water transportation is involved—may place Massachusetts midway between raw material and consumer markets. Given these developments which are already beyond the stage of anticipation, the increased availability of lower cost fuel becomes even more crucial as a determining factor in our economic growth.

In the third column, the ratio of wages and salaries to value of product is presented for each of the several industries. For the country as a whole, wages and salaries represent 20.5 percent of the value of manufactured products. In seven of our nine major industries the ratio exceeds 20.5 percent. In other words, New England specializes in those industries where labor costs are a comparatively large part of the value of products and where material costs are a relatively small part of the value of products.

VI. THE HIGH COST OF FUEL IN MASSACHUSETTS AND NEW ENGLAND

Fuel costs are higher in New England than in any other area of the United States. Comparative cost data for the several regions of the United States are presented in table 4. For the Nation as a whole the average cost of a million B. t. u. of fuel was 15.8 cents in 1939. In Massachusetts the cost was 26 percent above the national average or 19.9 cents per million B. t. u. Fuel costs here exceeded those in the West South Central States by over 200 percent. What is of more significance for the welfare of our economy is the difference between our fuel costs and those of our closest competitors. The manufacturing industries of the Middle Atlantic States provide direct competition for all nine of the major Massachusetts industries indicated in table 3. In this competition we are handicapped by fuel costs that are 24 percent above those of the Middle Atlantic area.

The relationship between the quantity of fuel consumed in industry and its price is demonstrated by the data given in table 4. In the West South Central States, where fuel could be obtained at a cost of 6.6 cents per million B. t. u., 1,946,000,000 B. t. u. were used per wage earner. In New England, where fuel costs were 215 percent higher, only 299,000,000 B. t.u. were used per wage earner. Consumption per wage earner in the West South Central States exceeded that in New England by 550 percent. On the same basis, consumption in the Nation as a whole exceeded that in New England by 128 percent. The statistical data support a familiar proposition in economics, namely, that the quantity of any commodity demanded decreases with an increase in its price.

VII. THE HIGH COST OF ELECTRIC ENERGY IN MASSACHUSETTS AND NEW ENGLAND

Massachusetts and New England suffer even greater disadvantages in the cost of electric energy than in the cost of fuels. Table 5 presents the relevant data for the several principal areas of the United States. The cost of electric energy in Massachusetts exceeded the national average by 47 percent. Our costs were 53 percent above those of our principal competitors in the Middle Atlantic States and 260 percent higher than those of the State with the lowest costs.

The relationship between the kilowatt-hour cost of electric energy and the kilowatt-hour consumption per wage earner is of the same form as that established for fuels. Consumption per wage earner in the United States exceeded consumption in Massachusetts by 80 percent. On the same basis, consumption in the Middle Atlantic States was 80 percent higher than in Massachusetts. Outside of New England, only two States in the Union, Florida and New Mexico, consumed less electric energy per wage earner than Massachusetts.

Developments in the fields of fuels and electric energy since 1939 have increased the cost disadvantages suffered by Massachusetts. Two developments are of particular importance. Public power projects in several areas have increased the spread between electric energy costs in those areas and in Massachusetts. Lower fuel costs in other regions have resulted from the introduction of natural gas. Massachusetts has not enjoyed the benefits resulting from either of these developments. To the contrary, our manufacturers have confronted steadily rising fuel and electric energy costs. The practical effect of these extremely unfavorable fuel and electric energy costs is to preclude any possibility of establishing industries in Massachusetts which are even moderately heavy consumers of fuel and energy. This is a highly effective way by which to limit the freedom of our industry to develop.

VIII. THE TRANSMISSION OF NATURAL GAS TO MASSACHUSETTS WOULD PROMOTE THE GROWTH OF INDUSTRY

Our intent in presenting the foregoing material is to show how an increased supply of less costly gas can contribute to the solution of the basic problem we confront. The question of whether or not natural gas should be transmitted to Massachusetts cannot be determined by a mere list of the concerns which currently use gas in their operations. We believe the test of current use is both inadequate and misleading. Applied, for example, to the field of atomic materials and energy it would establish, since the present uses of atomic materials and energy in industry are exceedingly limited, the absurd conclusion that efforts to increase the availability

of these factors should be abandoned. Application of the same criterion to Massachusetts industry in 1900 would have resulted in equally misleading conclusions. Since that time our economy has been transformed by the development of new industries which make an extensive use of gas in their operations. (See table 6.) In the present case erroneous conclusions are certain to result from applying the current use test. We submit that the need for transmitting natural gas to Massachusetts is entirely conclusive when viewed against the background of our changing industrial structure. Rather than looking solely at the number of concerns currently using gas we must look at the direction in which our economy is tending to grow. We must consider the manner in which an increased supply of this fuel at lower cost would complement other factors which promote the expansion of our industry.

From the material presented in the preceding sections a number of conclusions can be formed concerning the characteristics of both the expanding and contracting industries in Massachusetts and New England. As a general rule, successful business ventures in Massachusetts are ones in which labor costs constitute an important part of the value of the product produced. Our expanding industries make an increasing use of highly skilled, technical labor. These features are particularly notable in the cases of those industries, such as machinery and electrical equipment, which developed during the period of maximum decline in the textile and leather industries. They are even more characteristic of the new, postwar industries, whose typical manufacturing operations are often only one stage removed from laboratory work.

A second factor determining the success or failure of business ventures in Massachusetts is the ratio of materials cost to the value of the product. For one group of successful industries the material-value factor is not important. This group derives its raw materials from local sources. Thus the paper, food, and apparel industries are based upon the use of locally available material supplies. Many of our newest industries gain an advantage from access to virtually unlimited sources of scientific and technical advice. Aside from these cases, the expanding industries of Massachusetts are characterized by the low ratio of material costs to value of product and by the relatively small consumption of fuel and electric energy per wage earner. In other words, successful business operation requires an above-average economy in the use of all those materials and services which are supplied from other areas upon relatively disadvantageous terms. Such economy minimizes the disadvantages of a Massachusetts location, such as, the local unavailability of many materials, the great distance from some raw-material sources and the fantastically high costs of fuels and electric energy.

Among these factors are some over which no control can be exercised. Fuel costs, however, can be controlled. We consider the transmission of natural gas to Massachusetts the most immediate and promising method by which the expansion of our industries can be promoted at this time.

IX. OTHER CONSIDERATIONS OF VITAL IMPORTANCE TO MASSACHUSETTS

To this point we have been primarily concerned with the promise natural gas holds for stimulating the development of Massachusetts manufacturing industry. There are two other respects in which the introduction of natural gas would contribute to the promotion of our interests.

The living standards of Massachusetts workers are closely related to this problem. Money wage rates today are determined in part by the cost of living. We in Massachusetts take pride in the relatively high wages earned by our workers. But it must be noted that relative wage rates between two areas do not always measure the actual regional differences in living standards. A worker's living standard is not raised when his wage rate is increased merely as a means of compensating for higher living costs. By virtue of this action, the worker derives no benefit. Indirectly, however, he may be seriously injured by it. When increases in wage rates are only a consequence of higher living costs in a given area, they result ultimately in pricing the labor of that area out of the national market. Employment under these conditions is certain to contract. We in Massachusetts have every reason to be seriously concerned over this problem. Our grounds for concern are obvious. This is especially so in the case of consumer fuel costs. Due to severe winters, fuel costs are a very important part of family budgets in our State. The Bureau of Labor Statistics of the United States Department of Labor publishes a consumer's price index derived from data collected in 35 large cities of the United States. Three New England cities are included in the index. By November 15, 1949, the index of fuel costs for the United States as a whole stood at 139.1. Fuel costs in all three New England cities exceeded the national average by a very consideral amount. The index of fuel costs rose to 153.3 in Manchester, N. H., to 154.4 in Boston, Mass., and to 151.1 in Portland, Maine. Ranked according to the magnitude of these costs Manchester, Boston and Portland were second, third and fifth among the 35 cities included in the survey. If domestic consumers in our State were to use an amount of electric power adequate for the maintenance of reasonable living standards, they would be required to pay the highest electric rates in the United States. This is a type of distinction which New England can ill afford. Since November 1949, fuel costs have again increased. Sooner or later these increases will be reflected in higher wage rates, but the higher wage rates will not confer any benefit upon our workers. Their only consequence will be to make Massachusetts labor relatively more expensive than labor in other areas and to substitute production by workers in other regions for the production which might have been undertaken here.

There is one final problem to which we wish to call attention. When Massachusetts producers sell cloth to other areas, they receive payments. When the same producers purchase raw cotton from other regions, they make payments. Whether our payments to other areas for all purposes exceed or fall short of payments made to us is a matter of great importance. For a number of years Massachusetts' payments to other regions have exceeded the payments made to us. In short, we have an unfavorable balance of payments with the rest of the United States. Today this is referred to as a dollar shortage, and we are as concerned with our dollar shortage as the Europeans are with theirs. A decrease in the price of raw cotton would mean that our textile manufacturers could obtain the same quantity of cotton by making a smaller total payment for that purpose. To this extent our unfavorable balance would be reduced. Exactly the same situation exists with regard to fuels. With very minor exceptions all fuel consumed in Massachusetts is imported from other regions. A reduction in fuel prices would reduce the payments we would need to make to those regions and thus aid in bringing about a more favorable balance.

Massachusetts cannot maintain an unfavorable balance of payments without limit. It cannot, in other words, continue to buy more than it sells. The continued drainage of funds from our area would reduce the ability of Massachusetts industry to pay higher wage rates at the very time when higher rates must be paid in order to compensate for rising living costs. The proposal to bring natural gas to Massachusetts is the most specific and valuable suggestion yet made for the correction of this situation.

TABLE 1.—*Percentage distribution among industry groups of employed persons in the United States and Massachusetts, 1940*

	United States	New England States					
		Massachusetts	Rhode Island	Connecticut	Maine	New Hampshire	Vermont
All industries (percent of United States total)	100.0	3.4	0.6	1.5	0.6	0.4	0.3
Industrial groups (percent of each area or State total):							
1. Agriculture, forestry and fishing	18.8	2.7	2.1	4.0	14.2	9.1	24.7
2. Extractive	2.0	.1	.1	.1	.2	.2	1.2
3. Construction	4.6	4.5	4.9	4.9	4.3	5.1	4.5
4. Manufacturing	23.4	36.8	45.8	43.5	32.8	39.5	22.0
5. Transportation, communication, etc.	6.9	6.5	4.8	4.9	6.2	5.1	6.3
6. Trade	21.9	24.8	21.2	21.2	18.8	18.1	17.1
7. Personal services	8.9	8.4	7.3	8.1	9.4	9.2	9.9
8. Professional services	8.2	10.2	7.9	8.6	8.0	8.5	8.3
9. Government	3.9	4.3	4.5	3.2	4.1	3.3	4.2
10. Industry group not specified	1.5	1.8	1.2	1.8	2.0	1.9	2.0

Source: Census of Population, 1940.

TABLE 2.—*The characteristic manufacturing industries of Massachusetts and New England—A comparison between the percentage distribution among manufacturing groups of employed persons in the United States and each New England State, 1940*

SOUTHERN NEW ENGLAND STATES

United States	Massachusetts		United States	Connecticut		United States	Rhode Island	
2.6	Textile-mill products	8.3	2.8	Iron and steel and their products	7.4	2.6	Textile-mill products	21.6
.8	Leather and leather products	4.6	2.4	Machinery	7.3	1.8	Miscellaneous	7.2
2.4	Machinery	4.6	.6	Nonferrous metals and products	6.2	2.8	Iron and steel and their products	4.8
1.8	Miscellaneous	3.3	2.6	Textile-mill products	5.9	2.4	Machinery	4.7
1.7	Apparel	2.1	1.8	Miscellaneous	5.7	.6	Nonferrous metals and products	1.4
1.4	Printing, publishing and allied industries	1.9	1.7	Apparel	2.7	1.7	Apparel	1.1
.7	Paper and allied products	1.9	.7	Transportation equipment	2.1			
.7	Transportation equipment except auto	1.2	1.0	Chemicals	1.0			
.6	Nonferrous metals and products	.9	.7	Paper and allied products	.8			

TABLE 2.—*The characteristic manufacturing industries of Massachusetts and New England—A comparison between the percentage distribution among manufacturing groups of employed persons in the United States and each New England State, 1940*—Continued

NORTHERN NEW ENGLAND STATES

United States	Maine		United States	New Hampshire		United States	Vermont	
2.6	Textile-mill products	8.4	0.8	Leather and leather products	12.5	2.6	Textile-mill products	3.3
.8	Leather and leather products	6.3	2.6	Textile-mill products	9.0	2.4	Machinery	3.1
.7	Paper and allied products	5.0	.7	Paper and allied products	3.7	.8	Stone, glass and clay products	2.8
.3	Logging	2.2	.8	Furniture, etc	2.2	1.0	Sawmills and planing mills	2.3
.7	Transportation equipment except auto	1.7	.3	Logging	1.6	.8	Furniture, etc	1.9
.8	Furniture, store fixtures, miscellaneous wooden goods	1.7	1.0	Sawmills and planing mills	1.6	.7	Paper and allied products	1.1
1.0	Sawmills and planing mills	1.5	.7	Transportation equipment except auto	1.4	.3	Logging	1.1

Adapted from Census of Population, 1940.

TABLE 3.—*Major Massachusetts manufacturing industries, cost of materials, wages and salaries, and value of products*

Industry group	Percent cost of materials[1] is of value of product, 1939[2]	Major Massachusetts industries, 1950[3]	Percent wages and salaries are of value of product, 1939[2]
All industry groups	56.6		20.5
Products of petroleum and coal	77.1		7.5
Tobacco manufacturers	73.5		6.0
Nonferrous metals and their products	68.0		15.0
Automobiles and automobile equipment	67.3		18.9
Food and kindred products	66.5	X	11.1
Apparel and other finished products made from fabrics	58.5	X	24.9
Leather and leather products	58.0	X C	25.2
Paper and allied products	56.9	X	19.6
Iron and steel and their products	55.2		24.4
Rubber products	55.0		22.8
Textile-mill products and other fiber manufactures	53.7	X C	27.0
Furniture and finished lumber products	50.6		27.4
Chemicals and allied products	49.7		14.0
Transportation equipment except automobiles	46.6		34.3
Lumber and timber basic products	44.9		32.3
Electrical machinery	42.1	X E	27.6
Miscellaneous	40.3	X	30.1
Nonelectric machinery	39.5	X E	30.9
Stone, clay, and glass products	36.7		28.4
Printing and publishing	31.5	X E	32.0

[1] Includes cost of materials, supplies, fuels, purchased electric energy and contract work.
[2] Based upon *Census of Manufactures*, 1939.
[3] U. S. Department of Labor, Bureau of Labor Statistics.

TABLE 4.—*Consumption and cost of fuels in manufacturing industries, 1939*

	Consumption of fuels	Cost per million B. t. u.'s	Consumption per wage earner
	Billions B. t. u.	*Cents*	*Millions B. t. u.*
United States	5,367,386	15.8	681
GEOGRAPHIC DIVISIONS			
1. West South Central	510,948	6.6	1,946
2. East South Central	309,013	12.1	864
3. Mountain	123,612	14.9	1,785
4. Middle Atlantic	1,563,601	16.1	696
5. South Atlantic	452,176	16.3	458
6. West North Central	218,370	16.8	571
7. East North Central	1,715,751	17.7	781
8. Pacific	186,368	18.4	413
9. New England	285,518	20.8	299
Rhode Island	32,725	16.7	308
Massachusetts	139,856	19.9	304
Connecticut	66,404	20.9	284
Maine	28,312	24.8	374
New Hampshire	13,700	27.6	246
Vermont	4,493	33.0	206

Source: Census of Manufactures.

TABLE 5.—*Consumption and cost of purchased electric energy in manufacturing industries, 1939*

	Quantity purchased	Cost per kilowatt-hour	Consumption per wage earner
	Kilowatt-hours	*Cents*	*Kilowatt-hours*
United States	45,040,075	1.03	5,711
GEOGRAPHIC DIVISIONS			
1. East South Central	3,787,107	.68	10,584
2. Mountain	1,065,388	.76	15,387
3. Pacific	3,263,467	.90	7,236
4. South Atlantic	5,694,100	.96	5,772
5. Middle Atlantic	12,949,780	.99	5,756
6. West South Central	1,960,990	1.02	7,468
7. East North Central	10,882,529	1.17	4,957
8. West North Central	2,051,200	1.25	5,367
9. New England	3,385,514	1.35	3,550
Maine	572,342	.74	7,565
New Hampshire	175,082	1.27	3,139
Vermont	104,785	1.40	4,816
Rhode Island	378,448	1.42	3,561
Connecticut	687,276	1.49	2,943
Massachusetts	1,467,581	1.51	3,186

Source: Census of Manufactures.

TABLE 6. *Selected Massachusetts industries currently using gas*

Electrical machinery and equipment: Incandescent lamp making, flange making, stem making, insertion of filament supports, sealing-in, exhaust, basing, sintering for coiled filaments, miscellaneous use.

Fluorescent lamp making: Flange making, stem making, sealing-in, exhaust, basing, lehring (annealing and coating baking).

Tubes: Radio, television and radar equipment.

Electrical equipment and appliances: Flame hardening, plating, baking, baking and finishing, soldering, drying.

Food processing: Roasting, baking, cooking, smoking.

Machinery and metalworking: Annealing, carburizing, coating, cleaning equipment, cyaniding, drying, hardening and tempering, hydrizing, nitriding.

Paper and allied products: Drying.

Plastics: Softening, compression molding, injection molding.

Printing and publishing: Drying, melting.

Textiles and other mill products: Singeing yarns and fabrics, drying.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Carolina [Mr. DEANE] is recognized for 20 minutes.

FIFTEENTH ANNIVERSARY OF REA LIGHT AND POWER PROGRAM

Mr. DEANE. Mr. Speaker, the Government program that brought light and power and an improved way of life to rural America observes its fifteenth anniversary this month. At this time I would like to pay tribute to its accomplishments and to pledge my support to any measure that will insure its continued progress.

On a day long to be remembered by the farmers of this Nation, May 11, 1935, the Rural Electrification Administration was created by Executive order of the late President Roosevelt. At that time only 1 out of every 10 farms in the Nation had electricity, and there was little chance that the others would ever get it unless the farm people themselves were given the opportunity to do something about it. The REA program provided them that opportunity on a pay-as-you-go basis. Today, better than 85 percent of our farms are electrified.

In 1935, when this great program started, only about three out of every hundred farms in North Carolina had electric service. Now, 15 years later, 8 out of 10 are connected to the highlines.

The first REA loan in my State was made to the Tidewater Power Co., of Wilmington, back in 1935. Since then, 1 other commercial company, 2 municipalities, and 34 cooperatives have borrowed a total of $61,244,552 and the lines that this money financed now reach into all but 4 counties of North Carolina. In my Eighth Congressional District, rural people in all 12 counties are receiving service from REA cooperatives.

More than 129,000 farm families and other rural establishments in North Carolina have been brought electricity by REA-financed lines. Most of them would not have it now except for the REA loans. Almost 7,000 more families—perhaps 28,000 people—will have service as soon as construction already approved is completed.

And the REA co-ops have pledged themselves to keep on expanding their facilities until practically all of the 45,000 farms still unserved in North Carolina have access to power.

There are six of these co-ops serving the rural people in my district. They are the Pee Dee Electric Membership Corp., of Wadesboro; the Davidson Electric Membership Corp., of Lexington; the Davie Electric Membership Corp., of Mocksville; the Union Electric Membership Corp., of Monroe; the Lumbee River Electric Corp., of Red Springs; and the Central Electric Membership Corp., of Sanford.

These cooperatives are doing a fine job and their members have great pride in their accomplishments. Altogether these co-ops are operating more than 8,000 miles of line and are serving nearly 30,000 of my constituents.

At least 500 more families in my district will receive electricity when these co-ops complete construction already approved by REA.

The money that these farm people in my district borrowed from REA to build their facilities is being paid back to the Government at a remarkable rate. The six co-ops have received loans totaling $12,655,000 and already they have made

principal and interest payments totaling $1,290,458, including $162,901 on principal before it was due.

The REA program, as it has been put to work by the farmers of my district and the Nation, provides an excellent example of free enterprise at work. It is indicative of what a Government alert to the needs of its people and its responsibility to serve them can and should do.

Until the REA program was created, more than 287,000 farm families in North Carolina were denied the tools of modern living and farming. They had little hope of ever having electricity and the conveniences it brings; the conveniences which city people take for granted; the things which we are so proud to lump together and call the American standard of living.

Electricity has brought a new and more abundant way of life to the farms of America. Without electric power to lend a helping hand, farming means back-breaking toil from morning until dark. It means endless chores for the housewife, doing the family laundry with an old-fashioned washboard, carrying hundreds of pails of water a month.

That sort of existence was driving thousands of young folk off the farm to seek employment where they could enjoy the comforts of city living. It is vital to the Nation that those young men and women be encouraged to stay on the farm; to grow the food and fiber needs of this country. Electricity coming to the farm has been the greatest single factor in offering them that encouragement.

This, too, has been a big factor in the migration of thousands of young war veterans to the rural areas of America where they have settled with their families in farm homes which offer all the comforts to be found in city dwellings. The wives now are able to enjoy electric refrigerators, electric ranges, washing machines, and other labor-saving appliances.

But even of greater importance is the part electricity has played in helping the farmer to prosper; it has increased his efficiency many times over what it was when all farm chores had to be done by hand. Now, with the flick of a switch, he can put electricity to work for him on more than 400 different chores. It saves him time, money, and effort, and increases his income.

In its role as a banker for the program, which has been hailed by many as one of the most outstanding examples of democracy in action, the REA has invested more than $2,100,000,000 in the electrification of rural America. This money has been used to help start nearly 1,000 new privately owned, privately operated, tax-paying businesses, run by the farmers of this country, and dedicated to bringing electricity to every person in rural areas who wants it.

This goal is being reached at a record rate. During 1949, REA-financed cooperatives connected one consumer to their lines every 15 seconds of every working day. Right now they are operating more than 1,000,000 miles of lines and serving nearly 3,250,000 consumers who otherwise might never have had electricity.

I would like to emphasize that the money borrowed to build these facilities is being paid back to the Government with interest. There is no grant or subsidy whatsoever connected with these loans. Every penny lent by REA must and will be paid back by the borrowers.

Yet there are some who will tell you that this whole program is not American; that through these loans the Government is designing to get into the electricity business.

There is nothing further from the truth. Every pole, every foot of wire, every meter, and every transformer that goes into an REA-financed electric system is owned—lock, stock, and barrel—by the borrower. REA does not own, operate, or control a single piece of electric equipment.

Free, private enterprise is actually flourishing under the REA program.

For example, REA co-ops, during the fiscal year ending June 30, 1949, paid commercial power companies $30,924,331 for wholesale power to serve their farmer-consumers. More than $237,000 of this was paid by the co-ops in my district. More than 57 percent of all the power used by REA co-ops was purchased from these commercial companies. This compares with 51 percent in 1946, 55 percent in 1947, and 56 percent in 1948.

REA co-ops are just about the best customers the private utilities have. The commercial power companies are selling more energy than ever before in history, and REA is one of the principal reasons.

The problem that faces REA today is serious. With 85 percent of the Nation's farms electrified, the REA program is being bogged down by a power shortage. The almost fantastic increase in farm use of electricity in recent years has just about exhausted the capacity of existing suppliers to meet the power needs of the cooperatives.

In fact, a recent survey shows that 22 percent of the co-ops do not now have enough power to meet their present needs. Another 26 percent report they do not have enough power in sight to meet their anticipated growth. Unless additional power sources are opened up, continued progress of rural electrification is threatened.

REA can be forced against the wall unless power can be made available. Two REA's have already been forced to sell.

I am pleased to know that the six REA cooperatives in my Eighth Congressional District are moving forward with renewed interest. It behooves every member to work closely with his local REA board of directors and managers. These men and women are performing a great service and must have the full cooperation of all users.

The farmers of my congressional district, of my State and of the Nation, on this fifteenth anniversary of the REA program, should be congratulated on the fine job they have done in providing themselves with electricity. Let us help them protect the gains they have made and likewise help them do a still better job.

ABANDONED AIRFIELDS SHOULD BE GUARDED

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, to revise and extend my remarks, and include a letter from a constituent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES. Mr. Speaker, my attention has recently been forcibly directed to a situation in this country with respect to the manner in which airfields and airports formerly used by our armed forces have been abandoned since the close of hostilities.

There are several hundred in the United States, some of them in Kansas. Nearly all of these airfields are either not policed, or if so, only partially guarded.

I have a letter from Mr. J. E. Schaefer, vice president, Boeing Airplane Co., Wichita, Kans., who has called my attention to this matter, and from which I quote in part:

> As you know, there are several large airfields which have been abandoned in Kansas. This same situation is true in almost every State of the Union. Little or no policing is provided on many of these airfields. * * * These abandoned airports should then either be policed, immobilized, or destroyed. * * * Congress, it seems to me, should request an immediate study of this situation and require whatever defensive action is necessary to preclude any possibility of abandoned airports being used by a potential enemy or its accessories.

Mr. Schaefer has spent a lifetime in the airplane business. He has recently made a careful study of this subject matter to which I have called your attention. He believes we should not sit idly by and permit these hazards to continue, when with comparatively small expense and little effort, they could be amply protected.

I suggest that members of the Committee on Armed Forces give this important problem the attention to which it is entitled.

Mr. Schaefer states Gen. George Kenny, commanding general of the Air Force University, Maxwell Air Field, in a recent visit to Wichita, joined Mr. Schaefer in his opinion.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. AUGUST H. ANDRESEN, on account of official business.

To Mr. DINGELL (at the request of Mr. MCCORMACK), indefinitely, on account of illness.

To Mr. BRAMBLETT, for an indefinite period, on account of important business.

To Mr. ALLEN of California, for 3 weeks, beginning May 13, 1950, on account of official business.

To Mr. SCUDDER, for 3 weeks, on account of official business.

ECONOMY IN GOVERNMENT

Mr. IRVING. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. IRVING. Mr. Speaker, I desire to address the Members of the House again today on the subject of economy. Yesterday in the Committee of the Whole, while we were debating the $29,000,000,000 omnibus appropriation bill, I spoke twice rather caustically and pertinently about this vitally important subject. The remarks I am about to make cannot in any way be construed in the nature of criticism of the present administration, because it has generally been felt that the ECA or Marshall-plan program has been one that has received nonpartisan support. I supported the program because of its definite worth to all of us as a nation and because it has been so tremendously effective in combatting totalitarianism in the balance of the world where free people still survive. Further, it has for some time been under the direction of a very fine Republican, Mr. Hoffman.

However, it is my purpose to call your attention to this newspaper item date lined Paris, May 10. It is very short, only about 9 or 10 lines, but it is very illustrative of the lack of economy that I am so strenuously opposed to. Waste and inefficiency along with such stupid and ineffective use of the taxpayers' money are things that the American people are objecting to and are so resentful of. Why do not we eliminate such idiotic and careless handling of our financial affairs by those who are so callous and indifferent to the general welfare of our own country.

May I read this little clipping from one of the Washington newspapers:

ECA FUNDS REBUILDING FRENCH GAMING CASINO

PARIS, May 10.—Marshall-plan funds are being used to the extent of four and a half million francs to rebuild the gambling casino at Le Havre. The ECA office here says "this may seem frivolous expenditure, but it is important to help increase the town's revenues."

To me it seems rather inconsistent that the Congress is authorizing the spending of $150,000 for a committee of the Senate to make a nation-wide investigation of gaming or gambling with its resultant crime and corruption, and $20,000 for a House committee to make a similar investigation confined to the District of Columbia. I know it must strike you the same way. The brashness and absurdity of the whole affair would throw a person for a loop or make one throw rocks at their grandmother so to speak. Many a town or city in this country may need to increase its revenues, but we will not agree that this is the proper way for them to do so. Is this the old way of "taking" our touring citizens? We should pay for these contraptions and supply the suckers as well? No indeed, let these schemers go to work producing goods that will benefit their citizens and supply a permanent and legitimate source of revenue, thereby also eliminating the causes of hardships and moral degeneration. More honest work and less dishonest scheming will help solve their problems.

I am sure that most of the Members here will agree that this does make sense. If they do not, then I will say that it is too bad because I am sure the majority of the good people of this country will not condone such reckless and ill-advised spending of their money. And, that is only from the dollar-and-cent viewpoint. There are many who will have some moral compunctions about such activities. Many civic-minded people in our towns and cities, counties, States, and Federal Government, are trying desperately, or should be if they are not, to control, or better yet, to eliminate this grave menace to our own society and Government. These are the aspirations of those who desire to protect fine mothers with their families of good children who are many times utterly helpless to avoid the disgraceful hardships which are inflicted upon them by such nefarious and evil activities. To say they are unlawful is but a mild statement and only a temporizing rebuke. No one can deny that to a great extent the payoffs are in the form of broken homes, separations, divorces, and child abandonment. No one can deny that innocent children are ill-housed, ill-fed, and ill-clad because of commercialized gambling. Nor can anyone say that they are not further harmed by the lack of proper medical care, insufficient schooling, inadequate home training, as well as badly neglected religious instruction. I think I need not go further in my efforts to show how these families are ravaged and the lives of future citizens are jeopardized and imperiled under such circumstances, and I think it well applies to those of other countries. Shall we support them with our tax money? No.

It is not a habit of mine to lecture, nor to moralize, and I have not intended to do so. It has only been a desperate effort on my part to point out as vividly and dramatically as possible for me to, to the pathos of such a situation where we are actually sending our money to another country while we are denying, because of the dire need for economy here, relief for many of our children from the very things that I have spoken of.

Mr. Speaker, it is, to my way of thinking, an atrocious as well as ludicrous proposition to say the least. Now you may say I am making a mountain out of a mole hill. What is four and one-half million francs, you say—maybe not too much, but I would not care if it were only 50 francs under these circumstances. Then again, Mr. Speaker, this is not the first instance of such unwise and unjustified expenditures of ECA money that has come to my attention. No, indeed; some have been reported that would make this sum look like a 5-cent bag of peanuts. Now let me caution you Members as well as the people of this country that we cannot expect perfection in the handling of such a colossal program with all of its many harassing ramifications. It is certainly impossible to expect this huge organization to lay everything on the line to the degree of a gnat's heel. However, let us get down to brass tacks and cut out the monkey business. We must do it if we want the future wholehearted support and cooperation of Mr. Public.

EXTENSION OF REMARKS

Mr. MURDOCK asked and was given permission to extend his remarks and include extraneous matter.

Mr. WICKERSHAM asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SHELLEY asked and was given permission to extend his remarks in two instances.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in two instances.

Mr. DONOHUE asked and was given permission to extend his remarks and include extraneous matter.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in four instances and include articles and speeches.

Mrs. HARDEN asked and was given permission to extend her remarks and include a tribute to Johann Sebastian Bach prepared by Mr. Herschel C. Gregory, a resident of Lebanon, Ind.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include an editorial.

Mr. COLE of New York asked and was given permission to extend his remarks and include an editorial.

Mr. HAND asked and was given permission to extend his remarks in two separate instances and in each to include editorials.

Mr. GWINN asked and was given permission to extend his remarks.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in two instances and in each to include newspaper articles.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 6 minutes p. m.), under its previous order, the House adjourned until Monday, May 15, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1441. Under clause 2 of rule XXIV, a letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system, and authorizing the United States to pay for water and water services secured from the District of Columbia water system," was taken from the Speaker's table and referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STANLEY: Committee on House Administration. House Concurrent Resolution 182. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress

up to and including the Eightieth Congress; without amendment (Rept. No. 2039). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Concurrent Resolution 176. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the national health plan for the use of the Committee on Interstate and Foreign Commerce; without amendment (Rept. No. 2040). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 551. Resolution authorizing the printing of the report entitled "Unification and Strategy" as a House document; without amendment (Rept. No. 2041). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 557. Resolution authorizing the printing of the committee print entitled 'Congress and the Monopoly Problem—50 Years of Antitrust Development, 1900–1950," as a House document; without amendment (Rept. No. 2042). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 595. Resolution authorizing the printing of the manuscript entitled "The Making of a Congressman" as a House document; without amendment (Rept. No. 2043). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 555. Resolution for the relief of Hazel B. Prater; without amendment (Rept. No. 2044). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 591. Resolution for the relief of Mrs. Rose Margaret Torrance; without amendment (Rept. No. 2045). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 594. Resolution for the relief of Albert A. Wrede; without amendment (Rept. No. 2046). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 506. Resolution providing for the payment of 6 months' gratuity and $350 funeral expenses to the estate of George T. Giragi, late an employee of the House of Representatives; with amendment (Rept. No. 2047). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 534. Resolution providing for additional compensation for certain employees of the House of Representatives; without amendment (Rept. No. 2048). Ordered to be printed.

Mrs. NORTON: Committee on House Administration. House Resolution 524. Resolution providing for the expenses of conducting the studies and investigations authorized by rule XI (1) (h) incurred by the Committee on Expenditures in the Executive Departments; without amendment (Rept. No. 2049). Ordered to be printed.

Mr. PETERSON: Committee on Public Lands. H. R. 7722. A bill to provide for the acquisition and preservation, as a part of the National Capital park system, of the Old Stone House in the District of Columbia; with amendment (Rept. No. 2050). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 8287. A bill to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell; without amendment (Rept. No. 2051). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4370. A bill for the relief of May Hosken; without amendment (Rept. No. 2052). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8290. A bill for the relief of Jeffrey Bracken Spruill and Susan Spruill; without amendment (Rept. No. 2053). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 8479. A bill to provide waiver of premiums on national service life insurance policies for certain totally disabled veterans; to the Committee on Veterans' Affairs.

By Mr. CLEMENTE:

H. R. 8480. A bill to establish the counties of Kings and Richmond and the counties of Nassau, Queens, and Suffolk in the State of New York as a separate and complete internal revenue collection district, and for other purposes; to the Committee on Ways and Means.

By Mr. CROOK:

H. R. 8481. A bill to authorize a preliminary examination and survey of the third district area, Elkhart and St. Joseph Counties, Ind., including tributaries of the St. Joseph River, for flood control, drainage, and related purposes; to the Committee on Public Works.

By Mr. DAVIES of New York:

H. R. 8482. A bill to amend section 5 of title 17 of the United States Code, entitled "Copyrights"; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 8483. A bill conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8484. A bill to authorize the incorporation of Army and Navy Legion of Valor of United States of America; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. R. 8485. A bill to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; to the Committee on Agriculture.

By Mr. SCUDDER:

H. R. 8486. A bill conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 8487. A bill to authorize the use of penalty envelopes by the National Guard of the United States; to the Committee on Post Office and Civil Service.

By Mr. STOCKMAN:

H. R. 8488. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Public Lands.

By Mr. HARDIE SCOTT:

H. R. 8489. A bill to amend section 5 of the Home Owners' Loan Act of 1933, so as to prohibit the use by Federal savings and loan associations of certain terms commonly used by banks; to the Committee on Banking and Currency.

By Mr. FARRINGTON:

H. R. 8490. A bill to provide for the retirement of any judge of the United States District Courts for the Districts of Hawaii or Puerto Rico, and the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, or the District Court of the Virgin Islands, any justice of the Supreme Court of the Territory of Hawaii, and any judge of a Circuit Court of the Territory of Hawaii after 10 years of service; to the Committee on the Judiciary.

By Mr. HART:

H. R. 8491. A bill relating to the chartering of war-built vessels and other defense reserve vessels by the United States Maritime Commission; to the Committee on Merchant Marine and Fisheries.

By Mr. LARCADE:

H. R. 8492. A bill to repeal paragraph 1752 (relating to patna rice) of the Tariff Act of 1930; to the Committee on Ways and Means.

H. R. 8493. A bill to amend the Tariff Act of 1930 so as to remove from the free list patna rice cleaned for use in the manufacture of canned soups; to the Committee on Ways and Means.

H. R. 8494. A bill to impose a duty of 2½ cents per pound on patna rice cleaned for use in the manufacture of canned soups and for other purposes, rice meal, and broken rice; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H. R. 8495. A bill to amend the act of July 6, 1945, relating to the classification and compensation of postmasters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BARRETT of Pennsylvania:

H. R. 8496. A bill to provide for the admission to the United States of an additional number of aliens of Italian nationality; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 8497. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and orders, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. RIBICOFF:

H. J. Res. 468. Joint resolution designating June 26 of each year as National Baseball Day; to the Committee on the Judiciary.

By Mr. JAVITS:

H. Res. 601. Resolution to bring about rescission of the order curtailing postal service of the Postmaster General; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 8498. A bill for the relief of Mr. and Mrs. Istvan Eisasser; to the Committee on the Judiciary.

By Mr. CORBETT:

H. R. 8499. A bill for the relief of Zora Krizan, also known as Zorardo Krizanova; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 8500. A bill for the relief of Hatsuko Torikai; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 8501. A bill for the relief of Michiko Sato; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2122. By Mr. FORAND: Resolution of the General Assembly of Rhode Island, memorializing Congress to revive the Civilian Conservation Corps for unemployed youths between the ages of 17 and 23; to the Committee on Public Lands.

2123. By Mr. HART: Resolution adopted by the Board of Commissioners of the City of Union City, N. J., condemning the order

of the Postmaster General dated April 18, drastically reducing mail service to the public, etc.; to the Committee on Post Office and Civil Service.

2124. By Mr. HOLMES: Petition of 27 members of John T. Alderson Auxiliary, No. 17, United Spanish War Veterans, Department of Washington and Alaska, of Yakima, Wash., urging approval of House bill 6217; to the Committee on Veterans' Affairs.

2125. By Mr. RICH: Resolution of the Fraternal Order of Eagles, Renovo, Clinton County, Pa., urging that the order of the Postmaster General curtailing postal service be rescinded; to the Committee on Post Office and Civil Service.

SENATE

FRIDAY, MAY 12, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who art the abiding peace of the universe, our lot has been cast in this strange and difficult time; so many things distract us; often our lives become feverish and hectic and irritable. Help us so to confront the problems that baffle us that from them may come victory in our own souls and spiritual gain for the world.

Teach us the secret of dwelling in a world full of hate and yet not becoming hateful persons. Giving our best ability to the people's good, may we rise above all bitterness by an unshakable faith in the shining splendor of humanity. So may we be the obedient servants of the Father of all, who shall not fail nor be discouraged till He hath set judgment in the earth and in the isles which wait for His law. Amen.

THE JOURNAL

On request of Mr. MCFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 11, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 10, 1950, the President had approved and signed the following acts:

S. 247. An act to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes;

S. 621. An act for the relief of Horace J. Fenton;

S. 1069. An act to amend section 3552 of the Revised Statutes relating to the covering into the Treasury of all moneys arising from charges and deductions;

S. 2590. An act to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins;

S. 2874. An act to amend titles 18 and 28, United States Code, with respect to the time of reporting to Congress rules of procedure adopted by the Supreme Court for criminal, civil, and admiralty cases and the time of their taking effect; and

S. 3255. An act to amend section 415 of the Career Compensation Act of 1949, to extend the effective date of that section to December 31, 1950, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolutions in which it requested the concurrence of the Senate:

H. Con. Res. 176. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the national health plan for the use of the Committee on Interstate and Foreign Commerce; and

H. Con. Res. 182. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress.

LEAVES OF ABSENCE

On request of Mr. SALTONSTALL, and by unanimous consent, Mr. FLANDERS was excused from attendance on the sessions of the Senate today and next week.

On request of Mr. LONG, and by unanimous consent, Mr. FREAR was excused from attendance on the sessions of the Senate for the next 10 days or 2 weeks, on official committee business.

CALL OF THE ROLL

Mr. MCFARLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Maybank
Anderson	Hill	Millikin
Brewster	Hoey	Mundt
Bridges	Holland	Neely
Butler	Hunt	O'Conor
Byrd	Ives	O'Mahoney
Capehart	Jenner	Robertson
Chapman	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Connally	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Smith, N. J.
Donnell	Kerr	Sparkman
Dworshak	Kilgore	Stennis
Eastland	Knowland	Taylor
Ecton	Langer	Thomas, Okla.
Ellender	Leahy	Thomas, Utah
Ferguson	Lehman	Thye
Frear	Lodge	Tobey
Fulbright	Long	Tydings
George	Lucas	Watkins
Gillette	McCarthy	Wherry
Green	McFarland	Wiley
Gurney	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Malone	Young

Mr. LUCAS. I announce that the Senator from Connecticut [Mr. BENTON], the Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Nevada [Mr. MCCARRAN] are absent by leave of the Senate on official business.

The Senator from Arkansas [Mr. MCCLELLAN] is absent by leave of the Senate.

The Senator from Montana [Mr. MURRAY] is absent because of illness in his family.

Mr. SALTONSTALL. I announce that the Senator from Washington [Mr. CAIN] is necessarily absent.

The Senator from Vermont [Mr. FLANDERS], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The senior and junior Senators from Ohio [Mr. TAFT and Mr. BRICKER] are necessarily absent.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. MCFARLAND. Mr. President, I ask unanimous consent that Senators may be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

Mr. DONNELL. Mr. President, I understand that the Senator from Arizona means that his request is made without prejudice to my right to the floor.

Mr. MCFARLAND. Yes; without prejudicing the right of the Senator from Missouri to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Common Council of the City of Oshkosh, Wis., favoring the enactment of Senate bill 2163, to make farm loan bonds issued under authority of the Federal Farm Loan Act obligations of the United States; to the Committee on Agriculture and Forestry.

The memorial of Mrs. W. J. Munday, of Atlanta, Ga., remonstrating against the extension of rent controls; to the Committee on Banking and Currency.

A letter in the nature of a petition from the Citizens-Taxpayers Association, of Westerly, R. I., signed by A. Fred Roberts, secretary, relating to old-age assistance; to the Committee on Finance.

The petition of Severo S. Guinto, of Batasan, Macabebe, Pampanga, Philippines, relating to his claim for a pension for service in the Philippine Insurrection; to the Committee on Finance.

The petition of Hartman Pauly, of Sacramento, Calif., praying for compensation of certain war damages; to the Committee on the Judiciary.

FLOOD DAMAGE—RESOLUTION OF BOARD OF COUNTY COMMISSIONERS, GRAND FORKS COUNTY, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the